



HARYANA MEDICAL SERVICES CORPORATION LIMITED

6TH ANNUAL REPORT

FOR

FINANCIAL YEAR 2019-20

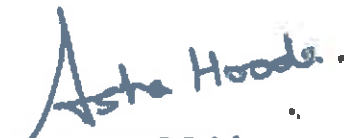

Anil Vij
Health Minister



Dr. G. Anupama, IAS
ACS Health



Vivek Aggarwal (IRS)
Managing Director(HMSCL)



ASHA HOODA
Company Secretary
HMSCL

REGISTERED OFFICE

5TH FLOOR, DHL SQUARE, HSIIDC IT PARK, SECTOR 22,
PANCHKULA -134109 (HARYANA)

Telephone No. 0172-2567945, 2590608,

e-mail Id- hmsclmd@gmail.com

CIN: U85100HR2014SGC052468



Haryana Medical Services Corporation Limited

(a State Government Undertaking)

Bays No. 59-62, Sector-02, Panchkula, Haryana

Ph. No. 0172-2567945, 2590608, e-mail Id- hmsclmd@gmail.com

CIN: U85100HR2014SGC052468

Delivered by hand.



To

1. Additional Chief Secretary to Govt. of Haryana, Health Department
2. Additional Chief Secretary to Govt. of Haryana, Finance Department
3. Secretary-cum-Advisor, Finance, Finance Department, Haryana
4. Managing Director, HMSCL
5. Director General, AYUSH, Haryana
6. Mission Director, NHM, Haryana
7. Director General Medical Education and Research, Haryana
8. State Drug Controller, Haryana
9. Director General Health Services, Haryana
10. Executive Director, HSHRC, Haryana
11. M/s Ashwani K Gupta & Associates, Chartered Accountants, Statutory Auditors

Memo No. 3/7-HMSCL-2023-CS/6th AGM

Dated: 27/09/2023

Subject: Notice of sixth (adjourned) Annual General Meeting of members of Haryana Medical Services Corporation Ltd.

In reference of the subject cited above, it is intimated that the sixth Annual General Meeting of Members of Haryana Medical Services Corporation Ltd. will be held on 27th September, 2023 at 12:15 pm at the Conference Room Haryana Medical Services Corporation Ltd., 5th Floor, Plot No. 9, Sector-22, Panchkula-134109 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company as at 31st March, 2020, the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on the equity shares.

By Order of the Board of Directors

Registered office:

5th Floor, Plot No. 9, Sector-22,
Panchkula-134109, Haryana
CIN: U85100HR2014SGC052468
Website: hmscl.org.in
Email: aasha.hooda@gmail.com
7015995155

Asha Hooda.
27/09/2023
Company Secretary

Place: Panchkula

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing the proxy, in order to be valid and effective, should be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.

Haryana Medical Services Corporation Limited
Bays No. 59-62, Sector-02, Panchkula, Haryana
e-mail id- hmsclmd@gmail.com, Website: hmscl.org.in,
Ph. No. 0172-2567945, 2590608,
CIN: U85100HR2014SGC052468

ATTENDANCE SLIP

I hereby record my presence at the sixth Annual General Meeting of the Company to be held at Conference Room, Haryana Medical Services Corporation Ltd., 5th Floor, Plot No. 9, Sector-22, Panchkula-134109 on Wednesday, the 27th September, 2023, at 12:15 pm and / or at any adjournment(s) thereof.

Full name of Shareholder / Proxy _____
(In block letters)

Folio No. _____ No. of shares held _____

Signature of the Shareholder/Proxy _____



Haryana Medical Services Corporation Limited

(a State Government Undertaking)

Bays No. 59-62, Sector-02, Panchkula, Haryana

Ph. No. 0172-2567945, 2590608, e-mail Id- hmsclmd@gmail.com

CIN: U85100HR2014SGC052468



DIRECTORS REPORT FOR THE FINANCIAL YEAR 2019-20

To,

The Members,

Your Directors have pleasure in presenting their sixth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2020.

1. FINANCIAL HIGHLIGHTS

The Company's financial performances for the year under review along with previous year's figures are given hereunder:

Particulars	Year ended 31 st March 2020 (Amount in Rs.)	Year ended 31 st March 2019 (Amount in Rs.)
Revenue from Operations	10,48,02,874	5,98,22,521
Other Income	11,53,40,913	7,06,19,151
Total Expenses	5,84,37,966	-5,58,30,578
Profit before exceptional items and tax	16,17,05,821	7,46,11,094
Exceptional items	-	-
Profit before tax	16,17,05,821	7,46,11,094
Tax	4,46,56,965	-2,72,96,689
Profit After Tax	11,70,48,857	4,73,14,405

2. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE FY 2019-20

Haryana Medical Services Corporation Ltd. was established vide Haryana Government, Health Department Notification No. 15/65/2013 6HBII dated 30.04.2014 with a mandate to provide good quality medicines and medical consumables at all the time leading to the reduction of out of pocket expenditure on health of common man and to achieve the objective of ready availability of essential drugs and medicines in the Government Medical Institutions throughout the State. It has been incorporated as per the provisions of Companies Act, 2013 on dated 05.06.2014 vide Certificate of Incorporation issued by Registrar of Companies, Ministry of Corporate Affairs, Government of India.

Asha Hooda.

The work done during the year 2019-20 is as under:

I. Procurement of Drugs/ Medicines and Surgical & Sutures

- The Essential Drug List (EDL) of HMSCL consisting of 459 drugs, 252 Medical consumables, 230 Programme Medicines and 88 Dental Material, 36 Linen items as on 31st March, 2020, while on the date of this report, EDL of HMSCL consists of 1253 items.
- During the year, Corporation engaged in procurement of quality generic drugs, surgical and sutures and other hospital supplies for onward supply to public health institutions viz. Medical College Hospitals, District Hospitals, Sub-divisional Hospitals, CHCs, and PHCs for further distribution free of cost to all patients visiting public health institutions of the State.
- Corporation invites open tender through E-portal for procurement of Drugs, surgical, sutures and equipments.

ii. Supply of Medicines, Surgical & Sutures

- After executing rate contract with successful bidder, purchase orders are placed keeping in view the annual demand received from Director General Health Services, Medical Education Department and other departments viz. NHM, Ayush, ESI, Govt Medical colleges, WCD, Prisons Department etc.
- Drugs, surgical & sutures are supplied at 7 Drug Warehouses (DDWs) located at Ambala, Hisar, Gurgaon, Bhiwahi, Rohtak, Kaithal and Karnal.
- Each public Health institution viz, Medical College attached Hospitals, District Hospitals (DHs), CHCs and PHCs directly interface with warehouses using web based application on the ODISCMS software to get the drugs issued subject to online indent submitted.
- To ensure availability of drugs, surgical & sutures at all Medical Institutions, regular monitoring is done through ONLINE DRUG INVENTORY AND SUPPLY CHAIN MANAGEMENT SYSTEM (ODISCMS).
- The stock of near expiry, short, excess drugs are managed through inter-district transfers.

iii. Quality Control

- The drugs supplied by manufacturer/ firm are accepted, only if drugs/surgical/sutures are accompanied by the manufacturer's OK test report i.e. certificate of analysis.

Ashu Hooda

- Samples are drawn randomly from all the batches and sent to different empanelled laboratories for analysis. Initially the drugs received at warehouses are stored in quarantine area until the report from empanelled lab is received. Testing is done as per Pharmacopeia specifications.
- The drugs, when passes all the specified quality tests and are found as of standard quality, are issued to public health institutions. The rejected drugs even if it fails on account of minor reason, are returned to the manufacturer.

iv. Procurement and Maintenance of Equipment & Instruments

- Equipments are procured by the Corporation as per demand received from Director General Health Services, Haryana, Health and Family Welfare Department, Medical Education Department, NHM and other public health institutions. Rate contract with the successful bidder is executed by Corporation for a period of years for supply of equipment, instruments and other hospital supplies.

v. Storage

- For storage and smooth supplies of drugs, surgical items and sutures to Public Health Institutions and Medical Colleges, the Corporation has got scientifically designed & constructed Drug Warehouses at 7 locations i.e. Ambala, Bhiwani, Gurgaon, Hisar, Kaithal, Karnal and Rohtak to cater 21 Districts and 5 Medical Colleges of the State. Out of these 7 warehouses 4 are running in Government premises and 3 other are on rent. These Drug Warehouses are under the administrative control of HMSCL. Adequate manpower i.e Security Guards, Multi-task workers and Sweeper etc has been provided for management of Drug Warehouses. Medical Officers from HCMS are deputed as Warehouse Manager to supervise all the activities of Warehouse i.e receiving of goods, sampling, indenting and issuance etc.

vi. Financial Performance

- The Corporation during the year purchased drugs / surgical / sutures and equipments worth Rs 262.01 Cr. for onward distribution to public health institutions of the State. During 2019-20, the Company has net profit of Rs. 11,70,48,857/-.

3. CHANGE IN NATURE OF BUSINESS, IF ANY

There were no changes in the nature of business activities carried out by the company during the financial year under review.

7

Ata Hooda.

4. CHANGES IN SHARE CAPITAL, IF ANY

During the financial year 2019-20, there were no changes in the share capital of the company. The subscribed and the paid up share capital of the company remains Rs. 5,00,00,000/- (Rupees Five Crores Only) comprising of 50,00,000 equity shares of Rs.10/- each.

Further, there were no instances of issue of shares with differential voting rights, issue of sweat equity shares or Employee Stock Option Scheme, during the financial year.

5. NUMBER OF BOARD MEETINGS

During the financial year 2019-20, meetings of the Board of Directors of the Company were held on dated 04.09.2019 and 15.01.2020

6. PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES

Information pertaining to the disclosure of particulars of contract or arrangements entered into by the Company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 during the Financial Year 2019-20 be treated as Nil.

7. EXPLANATION TO AUDITOR'S REMARKS

1 Reply to the observations/remarks raised in the Statutory Auditors' Report:

Regarding Para.no. 1: In this regard, it is intimated that the Corporation was registered under GST on 01.07.2017 and before this, the Corporation was neither registered nor assessed by the Concerned Authority.

2. Reply to the observations/remarks raised in the Statutory Auditors' Report

Regarding Para no. 2: The Corporation's only sources of revenue are fit charges received from intending departments @4%. If corporation adopts policy of paying interest @6% against actual fit charges received, the difference will impact the financial stability of Corporation on long term basis. Hence, as per the approval of Board of Directors at its 26th Board Meeting, the Corporation has already initiated the process of paying interest on actual earning basis and the Financial Statements from FY 2020-21 and onwards have been prepared accordingly.

3. Reply to the observations/remarks raised in the Statutory Auditors' Report

Regarding Para no. 3: In this regard, it is intimated that Finance Department, Government of Haryana has denied to consider the charges other than Fit Charges i.e. Late supply charges, Other Deductions, Penalty etc. as income of the

Ashu Hooda.

Corporation. Accordingly, rectification regarding the charges other than fit charges i.e. Late supply charges, Other Deductions, Penalty etc. has been made under Income Head. Therefore, income tax and interest liability has been reduced. Necessary rectification in this regard has been made by the Corporation during preparation of Financial Statement of FY 2020-21.

4. Reply to the observations/remarks raised in the Statutory Auditors' Report

Regarding Para no. 4: The Auditor's observation has been noted for compliance in future. The Corporation will request the Creditors, vendors and Intending Departments to provide the Balance Confirmation Certificates and will soon start the process of reconciliations of accounts with Creditors, vendors and Intending Departments.

5. Reply to the observations/remarks raised in the Statutory Auditors' Report

Regarding Para no. 5: TDS returns are available for checking and will be provided as and when required by Auditors.

6. Reply to the observations/remarks raised in the Statutory Auditors' Report

Regarding Para no. 6: The Auditor's observation has been noted for compliance. The Corporation will prepare the Reconciliation Statement and will provide for checking as and when required by the Auditors.

7. Reply to the observations/remarks raised in the Statutory Auditors' Report

Regarding Para no. 7: The Auditor's observation has been noted for compliance. In this regard, necessary rectification has also been done.

8. Reply to the observations/remarks raised in the Statutory Auditors' Report

Regarding Para no. 8: Auditors' observation has been noted for compliance by Accounts Branch in future.

9. Reply to the observations/remarks raised in the Statutory Auditors' Report

Regarding Para no. 9: The record related to working of fit charges is duly prepared and same can be provided for checking as and when required by Auditors.

10. Reply to the observations/remarks raised in the Statutory Auditors' Report

Regarding Para no. 10 to 15: Auditors' observation has been noted for compliance by Accounts Branch in future.

11. Reply to the observations/remarks raised in the Statutory Auditors' Report

Regarding Para no. 16: The record related to ESI and EPF has been properly organised by the Corporation from the beginning and same can be provided for audit scrutiny as and when required by the Auditors.

12. Reply to the observations/remarks raised in the Statutory Auditors' Report

Regarding Para no. 18 to 21: Auditors' observation has been noted for compliance by Accounts Branch in future.

13. Regarding Para no. i & vii of Annexure A to Auditors' Report:

Computerised Fixed Assets register is being maintained by Accounts Branch in Tally Software, however, Auditors' observation has been noted for preparation of manual register.

Regarding Para vii Auditors' observation has been noted for compliance by Accounts Branch in future.

Rest of observations/remarks in their report are self explanatory and hence do not call for any further comments.

14. Regarding Para no. 1 & 2 (a to h) of Annexure B to Auditors' Report:
Auditors' observation have been noted for compliance by Accounts Branch in future.

15. Regarding Annexure C to Auditors' Report:

Remarks in their report are self explanatory and hence do not call for any further comments

16. Information on Comptroller & Auditor General of India's comments

Regarding para 1, 2, 3, 4 of CAG Report and Para 1 & 2 of Management Letter are noted for compliance and necessary rectification entries have been made in the draft Financial Statements for the FY 2020-21.

7. DIRECTORS

The changes in the Board of Directors were occurred as per Orders of the State Government issued from time to time during 01.04.2019 to 31.03.2020 as per Annexure-A.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Aditya Hooda

As per the audited Financial Statements for the FY 2019-20, the Company has not given any loans and guarantees or made any investments pursuant to Section 186 of Companies Act, 2013.

10. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

During the financial year 2019-20, there were no material changes affecting the financial position of the company.

11. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption is not being given, since the company is not engaged in any manufacturing or processing activity. There are no foreign exchange earnings and outgo during the year under review.

12. RISK MANAGEMENT POLICY

The management of your company is highly dedicated and proactive towards identification of various elements of risks to the business activities of the company. The Management is of an opinion that the company has no immediate risks, financial or non-financial, that may threaten the existence of the company in near future.

13. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

During the financial year 2019-20, no material or significant orders were passed by any statutory or regulatory authority against the company.

14. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS

These aspects of operations are regularly reviewed and verified by the Company's Statutory Auditors.

15. DEPOSITS

During the financial year under review, the company neither accepted nor renewed any deposits under the provisions of Section 73-76 of Companies Act, 2013. Further, there was no non-compliance on the part of the company under the provisions of Chapter V of Companies Act, 2013.

16. NAMES OF THE COMPANIES WHICH BECAME OR CEASED TO BE SUBSIDIARY, ASSOCIATE OR JOINT VENTURE OF THE COMPANY

During the financial year 2019-20, no other company became or ceased to be subsidiary, associate or joint venture of the company.

17. SECRETARIAL AUDIT REPORT

Not applicable

18. CORPORATE SOCIAL RESPONSIBILITY (CSR POLICY)

The Company could not earmark the money towards CSR contribution earlier, due to non availability of Audited Financial Statements. CSR Policy has been approved by the Board of Directors at its 33rd Board Meeting held on 27.09.2023 and the CSR contribution will be spent accordingly. Annual Report on CSR is enclosed.

19. TRANSFER OF UNPAID OR UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The company had no unpaid or unclaimed dividend. Further, the company had no amount required to be transferred to the Investor Education and Protection Fund during the year.

20. STATUTORY AUDITORS

The Comptroller and Auditor General of India (CAG), New Delhi had appointed M/s Ashwani K Gupta & Associates, Chartered Accountants, Panchkula as Statutory Auditors of the Corporation for the Financial Year 2019-20. The Board of Directors thanks them for their cooperation.

21. PARTICULARS OF EMPLOYEES

None of the employee was in receipt of the remuneration over and above the limits prescribed pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

22. COST AUDITORS

The provisions of Section 148 of the Companies Act, 2013, are not applicable to the Company.

23. EXTRACT OF ANNUAL RETURN

The extracts of Annual Return in Form No. MGT-9, as required under Section 92 of the Companies Act, 2013 is annexed hereto as Annexure- B and forms part of this Report.

24. DIVIDEND

Your company declared Rs. 20,00,000 as dividend for the year 2019-20.

25. AMOUNT TRANSFERRED TO RESERVES

The Company has transferred Rs. 11,70,48,857 to the Reserves and Surplus.

26. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 of the Companies Act, 2013 the Directors based on the representations received from the operating management, confirm that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis and
- (e) the company being an unlisted company, the provisions regarding disclosure under Clause (e) is not applicable to the company.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Directors wish to place on record and acknowledge with gratitude the assistance, cooperation and support extended by the Comptroller and Auditor General of India, Government Authorities, the State Government, Local Authorities, Bankers and Stakeholders of the Company.

The Directors would like to thank shareholders for their continuing support and contribution. Your Directors also take this opportunity to express their deep gratitude for the co-operation and support received from the employees at all levels and specially the leadership at HMSCL for their efforts.

For Haryana Medical Services Corporation Ltd.

Place :- Panchkula.
Date :- 27.09.2023.


Managing Director


Director

13


ASHA HOODA
Company Secretary
HMSCL

LIST OF CHANGES IN THE BOARD OF DIRECTORS OF HARYANA MEDICAL SERVICES CORPORATION LTD. FROM 01.04.2019 TO 31.03.2020

Sr: No.	Name of Director	Date of Birth	Qualification	Designation	Date of Appointment	Date of Cessation
1	Sh. Rajeev Arora, IAS DIN: 00263865	22.07.1962	Post Graduate	Additional Chief Secretary to Govt. of Haryana, Health Department	01.12.2018	-
2	Smt. Amneet P. Kumar, IAS DIN: 06633309	27.10.1977	Post Graduate	Mission Director, NHM, Haryana	12.04.2017	28.12.2019
3.	Sh. Prabhjot Singh, IAS	20.10.1985	Post Graduate	Mission Director, NHM, Haryana	22.01.2020	-
	Dr. Saket Kumar, IAS DIN: 07973118	20.11.1974	Post Graduate	DG, AYUSH, Haryana	07.01.2016	28.12.2019
4	Sh. Atul Kumar, IAS	02.05.1977	Post Graduate	DG, AYUSH, Haryana	28.12.2019	08.02.2021
	Sh. Prabhjot Singh, IAS	20.10.1985	Post Graduate	DG, AYUSH, Haryana	12.02.2021	-
	Dr. Amit Kumar Agrawal, IAS DIN: 05297840	04.01.1977	Post Graduate	Managing Director, HMSCL	03.03.2019	08.07.2019
	Dr. Saket Kumar, IAS DIN: 07973118	20.11.1974	Post Graduate	Managing Director, HMSCL	08.07.2019	28.12.2019
				Managing Director, HMSCL	03.04.2020	-

Note: Haryana

	Sh. Atul Kumar	02.05.1977	Post Graduate	Managing Director	28.12.2019	11.03.2020
	Sh. Hardeep Singh, IAS	09.11.1962	Post Graduate	Managing Director	11.03.2020	03.04.2020
5	DIN: 07463565 Sh. Rajesh Bansal,	09.05.1962	Post Graduate	Management Consultant, HBPE, Finance Department, Haryana	04.08.2017	31.05.2020
6	DIN: 02982104 Sh. Rajnarayan Kaushik, IAS	20.06.1980	Post Graduate	Director General, Medical Education & Research, Haryana	22.10.2018	19.03.2020
	DIN: 08283279					
	Sh. D K Behera, IAS	16.01.1976	Post Graduate	Director General, Medical Education & Research, Haryana	19.03.2020	09.06.2020
	DIN: 07127810					
	Smt. Amneet P. Kumar, IAS	27.10.1977	Post Graduate	Director General, Medical Education & Research, Haryana	09.06.2020	04.02.2021
	DIN: 06633309					
	Dr. Shaleen, IAS	13.05.1986	Post Graduate	Director General, Medical Education & Research, Haryana	04.02.2021	-
	DIN: 08007513					
7	Dr. Sonia Trikha Khullar	19.01.1968	Post Graduate	(Executive Director- HSHRC)	15.06.2016	-
	DIN: 07660388					
8	Sh. N K Ahooja	16.11.1963	Post Graduate	State Drug Controller, Haryana	07.07.2017	-
	DIN: 07889615					

15.

J. H. Hooda.

9	Dr. Satish Kumar Aggarwal DIN: 07889617	23.08.1961	Post Graduate	DGHS, Haryana	01.05.2017	31.08.2019
	Dr. Suraj Bhan Kamboj, DIN:		Post Graduate	DGHS, Haryana	01.10.2019	-

For Haryana Medical Services Corporation Ltd.

Ata Hooda
Company Secretary

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1. CIN	U85100HR2014SGC052468
2. Registration Date	05.06.2014
3. Name of the Company	Haryana Medical Services Corporation Ltd.
4. Category/Sub-category of the Company	Company Limited by shares State Government Company
5. Address of the Registered office & contact details	Bays No. 59-62, Sector-2, Panchkula
6. Whether listed company	No
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A
8. Email Id of the Company	aasha.hooda@gmail.com
9. Website	hmscl.org.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated): N.A

S. No.	Name and Description of main products / services	NIC Code of the service	% to total turnover of the company
1	Procurement agency for	86, 88	100%

Asha Hooda.

procuring medicines and medical equipments as required in various hospitals, medical institution (Health and Social work)

III. PARTICULARS OF HOLDING/SUBSIDIARY/ ASSOCIATE COMPANIES: - Nil

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding Category Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]		No. of Shares held at the end of the year[As on 31-March-2020]		% Change during the year
	Demat	Physical	Demat	Physical	
A. Promoter s					
(1) Indian					
a) Individual/ HUF					
b) Central Govt					
c) State Govt(s)	-	5000000	-	5000000	100%
d) Bodies Corp.					
e) Banks / FI					
f) Any other					
Total shareholding of Promoter (A)	-	5000000	-	5000000	100%
B. Public Shareholding					
1. Institutions					

John Hande.

1

a) Mutual Funds																			
b) Banks / FI																			
c) Central Govt																			
d) State Govt(s)																			
e) Venture Capital Funds																			
f) Insurance Companies																			
g) FIs																			
h) Foreign Venture Capital Funds																			
i) Others (specify)																			
Sub-total (B)(1):-																			
2. Non-Institutions																			
a) Bodies Corp.																			
i) Indian																			
ii) Overseas																			
b) Individuals																			
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh																			
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh																			

Atto Hoda..

c) Others (specify)										
Non Resident Indians										
Overseas Corporate Bodies										
Foreign Nationals										
Clearing Members										
Trusts										
Foreign Bodies - D R										
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	-	5000000	5000000	5000000	100%	-	5000000	5000000	100%	-

At the Hoode.

Details of share transfers from 01.04.2019 to 31.03.2020:-

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Pledged / encumbered shares	No. of Shares	% of total Shares of the company	% of Pledged / encumbered to total shares	
1.	Governor of Haryana Through ACS to Government of Haryana, Health Department	49,99,993	99.99	-	49,99,993	99.99	-	Nil
2.	Additional Chief Secretary to Govt. Haryana, Finance Department, Chandigarh (for and on behalf of Governor of Haryana)	1	0.00	-	1	0.00	-	Nil
3.	Additional Chief Secretary to Govt. Haryana, Health Department, Chandigarh (for and on behalf of Governor of Haryana)	1	0.00	-	1	0.00	-	Nil
4.	Managing Director, Haryana Medical Services Corporation Ltd. (HMSCL), Panchkula (for and on behalf of 1 Governor of Haryana)	1	0.00	-	1	0.00	-	Nil
5.	Mission Director, NHM, Haryana, Panchkula	1	0.00	-	1	0.00	-	Nil

John Hoode.

	(for and on behalf of Governor of Haryana)										Nil
6.	Director General Medical Education & Research Haryana, Panchkula (for and on behalf of Governor of Haryana)	1	0.00			1	0.00			0.00	Nil
7.	Director General, AYUSH, Haryana, Panchkula (for and on behalf of Governor of Haryana)	1	0.00			1	0.00			0.00	Nil
8.	State Drug Controller, Haryana Panchkula (for and on behalf of Governor of Haryana)	1	0.00			1	0.00			0.00	Nil
	TOTAL	5000000	100%			5000000	100%			100%	

* Shares held in ex-officio capacity on behalf of the State Government of Haryana.

C) Change in Promoters' Shareholding (please specify, if there is no change): No change.

S N	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. At the beginning of the year Add: At the end of the year				
2.	Mr.* At the beginning of the year				

At the end of the year

Add:			
At the end of the year			

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

E) Shareholding of Directors and Key Managerial Personnel: Nil as shares held in ex-officio capacity on behalf of the State Government of Haryana

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

Asha Hooda.

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment: Nil

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

(Amount in Lakhs)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-
NIL

A. K. Hoda

21.

B. Remuneration to other directors:- NIL

B. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: Rs. 72,737 pm.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: - NIL

For Haryana Medical Services Corporation Ltd.


Managing Director


Director

Place :- Panchkula.
Date:- 27.09.2023.


ASHA HOODA
Company Secretary
HMSCL

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects or programs.

The key thrust areas of Company's policy on CSR, adopted by the Board of Directors are activities as per Schedule VII which includes eradication of hunger, poverty, promoting of education and gender equality, environment sustainability, protection of national heritage, art and culture etc. and measure for the benefit of armed forces and their family etc.

2. The Composition of CSR Committee is as follows:-

As at 31st March 2019, The Board of Directors had not constituted the Corporate Social Responsibility Committee.

3. Average net profit of the Company for last three financial years:

Calculation of CSR Obligations for FY 2019-20			
Financial Year	PBT	Average Net Profit	2% of Average net Profit
2018-19	74,611,094.00		
2017-18	82,362,787.00		
2016-17	43,962,716.00		
Total	200,936,597.00	66,978,865.67	1,339,577.31

4. Prescribed CSR expenditure Rs. 13,39,577.31 (two percent of average net profits of previous three financial years.)

5. Details of CSR spent during the financial year:

- a) Total amount to be spent for the financial year: Rs. 13,39,577.31
- b) Amount unspent, if any: 13,39,577.31
- c) Manner in which the amount spent during the financial year is detailed below: CSR Policy has been approved by the Board of Directors at its 33rd Board Meeting held on 27.09.2023 and the CSR contribution will be spent accordingly.

6. Reasons for not spending the prescribed amount:

The company could not earmark the money towards CSR contribution earlier, due to non availability of Audited Financial Statements. CSR Policy has been approved by the Board of

Directors at its 33rd Board Meeting held on 27.09.2023 and the CSR contribution will be spent accordingly.

7. CSR Responsibility Statement: The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, will be in compliance with CSR objectives and Policy of the Company.

Asha Hooda.
ASHA HOOLA
Company Secretary
HMSEL

Annexure

**HARYANA MEDICAL SERVICES CORPORATION LTD. (HMSCL)
CORPORATE SOCIAL RESPONSIBILITY POLICY**

1. SHORT TITLE AND APPLICABILITY

1.1 This policy, which encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large, is titled as the "HMSCL CSR Policy".

1.2 This policy is in compliance of section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

1.3 The "Act" Means the Companies Act, 2013.

1.4 "Corporate Social Responsibility" means and includes:-

- i. Projects or programs relating to activities specified in Schedule VII to the Act; or
- ii. Projects or programs relating to activities undertaken by the Board of Directors of a company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

1.5 The "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

1.6 "CSR Policy" relates to the Activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a Company.

1.7 "Net Profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013 (Act).

1.8 The words and expression used and not defined in this policy shall have the same meaning respectively assigned to them in the Act or CSR Rules.

2. OBJECTIVE OF HMSCL CSR POLICY

2.1 To directly or indirectly undertake projects or programmes or activities that benefit the communities and results over a period of time in enhancing the quality of life and economic well being of local population.

2.2 To ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.

Asha Hooda.

2.3 To generate, through its CSR initiatives, community goodwill for HMSCL and help reinforce a positive and socially responsible image as corporate entity.

3. FUNDING AND ALLOCATION

3.1 For achieving its CSR objectives through implementation of meaningful & sustainable CSR projects, programmes and activities, HMSCL will allocate at least 2% of its Average Net Profits, if any, made during immediately preceding three financial years, as its Annual CSR Budget. Net profit shall be assigned the meaning as per the Companies (Corporate Social Responsibility) Rules, 2014.

3.2 Any unspent/unutilized CSR allocation of a particular year will be carried forward to the following year, i.e., the CSR budget will be not lapsable in nature.

3.3 Surplus arising out of the CSR projects or programmes or activities shall not form part of the business profit of the company.

4. CSR ACTIVITIES

4.1 From the annual CSR Budget allocation, a provision will be made towards all or specific activities falling within the purview and/or related to and/or in conformity with activities as listed in schedule VII of the Companies Act, 2013;

- (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects;
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and work of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependants;

iii) training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;

iv) contribution to Prime Minister's National Relief fund or any other fund set up by the Central Government for socio economic development and relief and welfare of Scheduled castes, the scheduled tribes, other backward classes, minorities and women;

v) Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

vi) Rural development projects.

vii) Slum area development.

For the purpose of this item, the term 'slum area' shall mean any area declared by the central Government or any State Government or any other competent authority under any law for the time being in force.)

4.2 No CSR project or programme or activity that benefits only the employees of the company and their families shall be undertaken.

5. CSR COMMITTEE

5.1 The Board of Directors of the Company shall constitute the CSR Committee of 2 or more Directors.

5.2 The CSR Committee constituted by the Board shall institute a transparent monitoring mechanism for implementation of the CSR project or programmes or activities undertaken by the company.

6. MODE OF IMPLEMENTATION

The CSR programs, projects or activities, will be implemented through one or more of the following methods:

- i. as self-executing project or programme or activity; and/or
- ii. as project or programme or activity through a registered trust or a registered society or a company established under Section 8 of the Companies Act, 2013 by HMSCL; and/or
- iii. as project or programme or activity through a registered trust or a registered society or a company established under Section 8 of the Companies Act, 2013 which has an established track record of three years in undertaking similar projects or programmes or activity; and/or
- iv. in collaboration with other companies provided these companies undertake projects or programmes or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programmes or

Ashe Hoode

activities in accordance with the Companies (Corporate Social Responsibility) Rules, 2014.

7. MODALITIES OF EXECUTION

- 7.1 The CSR Committee shall recommend the amount to be spent on CSR Activities and monitor its implementation.
- 7.2 All projects or programmes or activities including expenditure thereof relating to CSR activities will be approved by the Board of Directors on the recommendations of the CSR Committee.
- 7.3 The CSR Committee will set up a transparent monitoring system of CSR activities. The progress in implementation will be informed to the Board at regular intervals.

8. MONITORING

Monitoring of projects or programmes or activities relating to the CSR will be project wise or programme-wise and benchmarked to the respective implementation schedule and funds utilization schedule. HMSCL shall reserve the sole discretion to withdraw/cancel CSR allocation relating to any project/ programme/ activity, fully or partially, and/or recall unutilized amount relating to any project/ programme/ activity, fully or partially, with or without assigning any reason(s) thereof.

9. REPORTING

CSR Policy will be displayed on the Company's website. Significant CSR activities and achievements will be reported as part of the Director's Report in HMSCL's Annual Report and also as per any other statutory and regulatory reporting requirements.

10. AMENDMENTS

HMSCL may amend its CSR Policy, from time to time, as may be required under the provisions of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 or otherwise.

Date 27.09.2023
Place Panchkula.

Asha Hooda
27/09/2023

ASHA HOODA
Company Secretary
HMSCL

Annexure-5



सत्यमेव जयते

(भारतीय लेखापरीक्षा एवं लेखा विभाग)
कार्यालय महालेखाकार (लेखापरीक्षा) हरियाणा
प्लॉट नं. 5 सेक्टर 33-बी, दक्षिण मार्ग,
चण्डीगढ़-160020

(Indian Audit & Accounts Department)
Office of the Principal Accountant General (Audit), Haryana,
Plot No-5, Sector 33-B, Dakshin Marg,
Chandigarh-160020



No. AMG-1/EMSCL/BS/19-20/2022-23/ 1130

Dated: 29.03.2023

सेवा में,

प्रबंध निदेशक,
हरियाणा मैडिकल सर्विसेज कारपोरेशन लिमिटेड,
बेज 59-62,
सेक्टर-2, पंचकुला-160022।

विषय: कम्पनी अधिनियम 2013 की धारा 143 (6)(बी0) के अंतर्गत हरियाणा मैडिकल सर्विसेज कारपोरेशन लिमिटेड, पंचकुला के 31 मार्च 2020 को समाप्त हुये वर्ष के वार्षिक लेखों पर टिप्पणियां।


महोदया/महोदय,

मैं इस पत्र के साथ कम्पनी अधिनियम 2013 की धारा 143 (6)(बी0) के अंतर्गत हरियाणा मैडिकल सर्विसेज कारपोरेशन लिमिटेड, पंचकुला के 31 मार्च 2020 के वार्षिक लेखों पर भारत के नियंत्रक महालेखापरीक्षक की टिप्पणियां संलग्न करता हूँ।

टिप्पणियों को कम्पनी की वार्षिक महासभा (ए0जी0एम0) में प्रस्तुत करने की तिथि एवं समय इस कार्यालय को सूचित किया जाये तथा वार्षिक रिपोर्ट की 02 प्रतियां इस कार्यालय को प्रेषित की जाये।

संलग्न: उपरोक्तानुसार

भवदीय,


व0 उप-महालेखाकार
(ए0एम0जी0-01)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT 2013 ON THE FINANCIAL STATEMENTS OF HARYANA MEDICAL SERVICES CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020.

The preparation of financial statements of Haryana Medical Services Corporation Limited for the year ended 31 March 2020 in accordance with financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 01.06.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of financial statements of Haryana Medical Services Corporation Limited for the year ended 31 March 2020 under Section 143(6) (b) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143 (6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit reports.

Comments on Profitability

1 Other Income (Note 15): ₹ 11.53 crore

1.1 Interest: ₹ 6.17 crore

a. The Company has booked interest of ₹ 18.33 lakh accrued on fixed deposits during the year. However, as per bank certificate, the total interest accrued on fixed deposits as on 31.03.2020 was ₹ 27.56 lakh.

Under-booking of interest has resulted in understatement of 'Other income', 'Profit for the year' and 'Other Current Assets-Interest Accrued on FDRs' by ₹ 9.23 lakh.

b. The above does not include interest of ₹ 4.24 lakh earned on FDRs which was included by the bank in the principal amount of FDR during the year as per bank certificate.

Non-accounting of interest has resulted in understatement of 'Other Income', 'Profit for the year' and 'Current investment- Fixed deposits with Bank' by ₹ 4.24 lakh.

Comments on Financial Position

2. Equity and Liabilities

Current Liabilities

2.1 Short-term Provisions (Note 6): ₹ 6.49 crore

Above includes interest U/s 234 A of Income Tax Act amounting to ₹ 41.30 lakh and ₹ 5.27 lakh on income tax payable for the previous year 2017-18 and 2018-19 respectively calculated for 20 months and 9 months respectively. However, U/s 234 A, interest is to be calculated from the date immediately following the due date till the date of furnishing the return. The Company filed the return after one month from the due date of filing the return. Thus, the Company was liable to pay interest for one month only which works out to ₹ 2.07 lakh and ₹ 0.59 lakh for previous year 2017-18 and 2018-19 respectively.

The incorrect calculation of interest under section 234 A has resulted in overstatement of 'Short-term Provisions' and understatement of 'Reserve & Surplus' by ₹ 43.91 lakh.

Assets

3. Current Assets

Cash and Cash equivalent (Note 9): ₹ 72.09 crore

3.1 Cheque/Draft in Hand for EMD

The Company booked a DD of ₹ 50000/- received from a party as ₹ 500000/-. This has resulted into overstatement of 'Cash and Cash equivalents' and 'Other Current Liabilities-EMD from Vendors' by ₹ 4.50 lakh.

4. Independent Auditor's Report

4.1 A reference is invited to para no. 15 of 'Basis for qualified opinion' wherein the Independent Auditors have stated that "for the FY 2015-16, company has already booked expense in the taxes

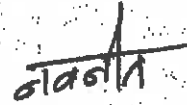
which has been again shown in Previous year taxes in FY 2018-19 leading to understatement of Profits and Overstatement of Current Liabilities by ₹ 13.90 lakh".

However, as per record of the company, the actual amount of tax expenses booked twice is ₹ 13.09 lakh. Thus, the Independent Auditor's Report is incorrect to that extent.

Place: Chandigarh

Date: -29 .03.2023

**For and on behalf of the
Comptroller & Auditor General of India**



**Principal Accountant General (Audit),
Haryana**

ASHWANI K GUPTA & ASSOCIATES

CHARTERED ACCOUNTANTS

H.No. 044-A, Sector-2, Panchkula

Ph: 0172-2930441, Mob.: 9888398905

E-mail : ashwanigupta58@gmail.com



INDEPENDENT AUDITOR'S REPORT

To the Members of HARYANA MEDICAL SERVICES CORPORATION LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of HARYANA MEDICAL SERVICES CORPORATION LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Statement of Cash Flows ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the matter described in the basis for Qualified Opinion Paragraph, the aforesaid financial statements give the information required except for the possible effect of matter discussed in the basis qualified opinion paragraph by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its Profit and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these

requirements and the ICAI's Code of Ethics. The points on which qualified opinion is based are as follows:-

Basis for Qualified Opinion

1. The Company has not provided Service Tax Liability in the books of accounts (a) amounting to Rs. 107.77 Lac on receipt of Fit Charges on purchase of medicines and equipment (inclusive of Rs. 44.24 Lac relating to Financial Year 2015-16 and Rs. 63.53 Lac relating to Financial Year 2016-17 (b) amounting to Rs. 14.21 Lac (inclusive of Rs. 4.14 Lac relating to Financial Year 2014-15 and Rs. 0.56 Lac relating to Financial Year 2015-16 and Rs. 7.65 Lac for the Financial Year 2016-17 on payment of Security services and (c) amounting to Rs.0.52 Lac on payment of Legal and professional charges (inclusive of Rs. 0.02 Lac relating to Financial Year 2015-16).

Due to above, profit for the year has been overstated by Rs 2.36 Lac and Reserves and surplus are overstated by Rs. 120.13 Lac and other current liabilities are under-stated by Rs. 122.49 Lac.

Further during FY 2017-18, GST payable was over stated by Rs 23.06 lacs and understatement of Service Tax Payable by Rs 17.93 lacs and advances from departments by Rs 5.13 lacs since Company was liable to pay service tax @ 14% on fit charges on purchases made from April 2017 to June 2017, Instead GST provision has been made @18% on Fit charges on purchases made from April, 2017 to 31st march, 2018.

2. As per Note: 15 of Other Income, Interest Income on unutilized amounts out of the amounts received from Government departments, is accounted on accrual basis as due to absence of particular policy interest earned has been transferred to government departments on the basis of average closing balance of each Government department. This is in contravention to Haryana government order no. 28/43/2010-1B&C dated 9th March, 2011 according to which, the Company has to pay interest at the rate of 6% per annum on unutilized amounts to the indenting departments. However, the Company has passed board resolution for the same and the Company has credited interest of Rs.924.40 Lac at an average rate of 5.39 % per annum. The Company did not provide for the remaining



interest of Rs. 105.48 Lac earned during the year payable to these departments, due to which current liabilities are understated by Rs.105.48 Lac and profit for the year has been overstated by Rs. 105.48 Lac.

Similarly, no provision has been made for interest payable amount of Rs. 163.26 Lac earned during FY 2017-18 payable to these departments, due to which current liabilities are understated by Rs.163.26Lac and profit for the year has been overstated by Rs. 163.26Lac.

Similarly, no provision has been made for interest payable amount of Rs. 63.42 Lac for F.Y. 2016-17 and Rs. 95.93 Lac for F.Y. 2017-18. Due to this, Reserves and surplus are overstated by Rs.159.35 Lac and current liabilities are understated by Rs.159.35Lac.

3. Due to non-payment of Advance Tax as per provisions of Income Tax Act, the Company has provided an interest amount of Rs.26.30 Lac's u/s 234 A, 234B and 234 C of Income Tax Act on unpaid amount of Income Tax for F.Y 2019-20. This amount has been shown as Current Year Tax under Tax Expenses in Profit & Loss Statement for the year. As this amount has not been paid further liability is likely to be incurred which has not been ascertained and hence could not be commented upon. Further similar expenses for FY 2016-17 were also not accounted for leading to overstatement of profits by Rs 10.70 Lakhs.
4. Balance confirmation from creditors, vendors and indenting departments were not obtained /produced in most of the cases and have not been provided to us during the course of audit.

The amount of un-reconciled items that may emerge after the confirmations and reconciliation of accounts cannot be determined and the consequential impact on financial statements remains unascertained.
5. As per provisions of Income Tax Act, 1961, TDS on certain payments have to be deducted at the time of payment or credit to the account of payee, whichever is earlier. The Company has been deducting TDS at the time of payment in some of the cases in contravention to the provisions of Income Tax Act, 1961. TDS returns filed by the Company with the Tax Authorities were not made available for



verification, impact of the same on the Financial Statements cannot be ascertained could not be commented upon.

6. GST returns filed by the Company with Tax Authorities were not reconciled with the Financial Statements as reconciliation statement and GST Audit Report were not made available for verification, impact of the same on the Financial Statements cannot be ascertained and could not be commented upon. Also, the liability due to difference of 2A as explained below can't be commended upon and has to be looked into immediately by the management as liability can arise because of same by disallowance of ITC.

Further, the following major companies are not reflecting the purchase invoices in GSTR-2A and also not mentioning the GST number of invoices because of which we are unable to reconcile the ITC as per Portal and Books of accounts and the effect of the same could not be ascertained:

- i. Albert David Ltd
- ii. Abbott Healthcare Pvt Ltd
- iii. Sanofi India Ltd
- iv. Theon Pharmaceuticals Ltd
- v. Zest Surgical Pvt Ltd

7. The company has not deducted TDS on DPMU charges amounting to Rs. 1937893/- Due to this, current liabilities have understated by the Company.
8. No proper time limit has been specified for the refund of Earnest Money Deposits (EMD) received from vendors from whom tenders have been invited. Further interest component for delayed refunds is not clear in tenders and accordingly the impact of the same could not be ascertained and commented upon.
9. No working for appropriation of the Fit Charges to the relevant funds/departments has been provided to us. Hence, we are unable to ascertain the effect of the same and verify the same.
10. The Company had given advance to HSRC (Health Systems Resource-Centre) without any documentary proof and couldn't explain the nature and purpose of



the same. Thereby leading to overstatement of Short-Term Loans and Advances and Reserves and Surplus by Rs 1.43 lacs.

11. During the Year 2017-18, weighing Machines valuing Rs 14.18 lacs purchased from DGHS funds while shown in NHM funds. The wrong booking led to overstatement of Advances from DGHS and Understatement of Advances from NHM by Rs 14.18 lacs.
12. Advances from Malaria Fund is overstated by Rs 1.31 crores during previous years as the amount was received from DGHS Haryana for purchase of Dry Lab. Incorrect booking has resulted in overstatement of Malaria fund in Other Current Liabilities and Understatement of Advances from DGHS Pharma and Equipment.
13. Interest provisioning for MSME parties has not been provided thereby leading to understatement of Current liabilities and Overstatement of Profits. However, the amount couldn't be ascertained.
14. The Company is using Online Drug Inventory and Supply Chain Management System for tracking orders, monitoring supply and usage of stored medicines. As reconciliation between online portal and accounting books were not provided to us, the impact if any is unascertained.
15. The company has provided for Prior period expenses of Rs 46.18 lacs in current year leading to Overstatement of Expenses for Current Year and Understatement of Reserves for current year. Also similar Prior period expenses has been booked in FY 2020-21, amounting to Rs.7.03 lacs leading to understatement of Expenses for FY 2019-20 and overstatement of Reserves and surplus by the same amount. Similarly For the FY 2015-16, company has already booked expense in the Taxes which has been again shown in Previous year taxes in Fy 2018-19 leading to understatement of Profits and overstatement of Current Liabilities by Rs 13.90 Lacs.



16. The Company has obtained registration under EPF and ESI w.e.f 01.04.2015. However, in absence of details not provided regarding contribution received or due for both the funds till 31.12.2018, any liability arising out of these cannot be ascertained and cannot be commented upon.
17. The company has not adopted and approved Audited Financial Statements as for FY 2018-19 as on date of signing of our Audit report. However, we have relied upon audited financial statements for verifying the opening balances.
18. For FY 2018-19, Other Income includes interest of Rs 15.5 lakhs booked as interest accrued from FDR's as on 31st mar 2019. However, as per interest certificate received from the bank, total interest accrued was Rs 16.62 lakhs. Incorrect accounting of interest has resulted into understatement of Other Income, Profit for the year and Other Assets-Interest accrues on FDRs by 1.12 lakhs.
19. EMD of Rs 12 lakhs in respect of 7 vendors has been booked twice in books in FY 2018-19 which has resulted into overstatement of Other Current Liabilities-EMD from Vendors and Cash and Cash equivalents by 12 lakhs.
20. Rounding off to the nearest hundred, Thousand, Lakhs etc has not been done in the financial statements.
21. The Company had opening balance of Cheque/draft in hand for EMD of Rs 43.18 lakhs out of which the company encashed the DD's amounting to Rs 17.3 lakhs only during FY 2018-19. Since the validity period of these is 3 months only, the remaining amounting to Rs 25.88 lakhs were not valid as on 31.03.2019 and were required to be revalidated. However, company has no records of these DD's as to whether these were sent for revalidation and were received back or not. Thus, this amount should have been written off in books.

Non writing off the expired DDs has resulted into overstatement of Cash and cash equivalents and Profit by Rs 25.88 lakhs.



- a. The above does not include DD's amounting to Rs 13 lakhs in respect of 12 firms received by the company during the year on account of EMD. This has resulted into understatement of Cash and Cash equivalents and Other current Liabilities -RMD from vendors by 13 lakhs.
- b. The company has booked a DD of Rs 2 lakhs received from M/s Excellent Hi Care Pvt Ltd at Rs 0.50 lakh. This has resulted into understatement of Cash and Cash equivalents and Other current Liabilities -EMD from vendors by 1.5 lakhs.
- c. The above does not include DD's amounting to Rs 2.59 lakhs which were invalid at the time of receipt of these DD's. These DDs were returned back to the firm and were not received back after revalidation. This has resulted into overstatement of Cash and Cash equivalents and Other current Liabilities -- RMD from vendors by 2.59 lakhs.
- d. The company has booked a DD of Rs 0.50 lakhs received from M/s Evergreen Enterprises as Rs 5 lakhs. This has resulted into overstatement of Cash and Cash equivalents and Other current Liabilities -EMD from vendors by 4.5 lakhs.
- e. The above includes payment of 4.52 lakh on account of refund of EMD wrongly debited to EMD receivable account instead of debiting the account of respective firms. This has resulted into overstatement of Cash and Cash equivalents and Other current Liabilities -EMD from vendors by 4.52 lakhs.

In the absence of sufficient appropriate evidence and information, we are unable to comment on the overall impact of our qualification on the Financial Statements of the Company for the year under consideration.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis; Board's Report including Annexure to Board's Report,



Board Responsibility Report, Corporate Governance and Shareholder's Information but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations; or has no realistic alternative but to



do so. The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except the following:
 - i. Accounting Standard-9 (Revenue Recognition) regarding the method of accounting being followed by the Company, we state that accrual system of accounting has been followed while preparing the accounts except for the accounting of TDS which has been accounted for at the time of payment instead of at the time of payment or credit whichever is earlier.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operative effectiveness of such controls, refer to our separate report in Annexure B.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as



amended, and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not enter into any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

3. As required by Section 143(5) of the Act, Directions and sub directions are annexed as per Annexure C.

For Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 003803N



(Ashwani K. Gupta)

Partner

M. No. 082808

Place: Panchkula

Date: 01/06/2022

UDIN: 22082808ALPXQI9161

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to the paragraph 1 under Report on Other Legal and Regulatory Requirement' section of our report of even date to the Members of Haryana Medical Services Corporation Limited)

- i. In respect of the Company's fixed assets: -
 - a) The Company has not maintained proper records having full particulars, including quantitative details and situation of its fixed assets.
 - b) As explained to us, fixed asset has not been particularly verified by the management at reasonable intervals no documents supporting the same were produced before us. Hence, the material discrepancies, if any of the same in the books of accounts cannot be commented upon.
 - c) According to the information and explanation given to us and on the basis of our examination of the records the Company, the Company does not hold any immovable properties. Accordingly, clause 3(i)(c) of Order is not applicable to the Company.
- ii. The Company does not hold its own physical inventory but hold inventory on the behalf of Government and Semi Government institution/organization. Accordingly, clause 3(ii) of Order is not applicable to the company.
- iii. The Company has not maintained register u/s189 of the Companies Act, 2013, in the absence of the record. This clause cannot be commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and provided any guarantees or given any security or made any investments to the parties covered under section 185 and 186 of the Act during the year. Accordingly, the clause 3(iv) of the Order is not applicable to the Company.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March31, 2020 and therefore the provisions of the clause 3(v) of the Order are not applicable to the Company.
- vi. As informed by the management, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any activities of the Company and accordingly, clause 3(vi) of the Order is not applicable to the Company.



vii. According to the records, the Company has generally not been regular in depositing of the undisputed statutory dues of Income Tax and Good and Services Tax during the year. As explained to us, the Company did not have any dues on the account of duty of Customs, Excise, Vat and Cess.

Following undisputed amounts were in arrears as at 31st March, 2020 for a period of more than six months from the date they become payable:

- a) Income Tax – Rs. 346 Lacs
- b) Service Tax- Rs.145.55 Lacs
- c) GST- Amount unascertained
- d) ESI and PF amount unascertained.

viii. In our opinion and according to the information and explanation given to us, the Company did not have any Loans or borrowings from any Financial Institution, bank or Government or outstanding debentures during the year and accordingly, clause 3(viii) of the Order is not applicable to the Company

ix. The Company has not raised any money by way of Initial public offer or further public offer (including debt instruments) and has not taken any term Loan during the year. Accordingly, clause 3(ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion according the information and explanation given to us, and based on the examination of records of the Company, the Company has not paid or provided managerial remuneration in the books of account and accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

xii. The Company is not a Nidhi Company. Accordingly, Clause 3(xii) of the Order is not applicable to the Company.

xiii. According the information and explanation given to us, there are no transactions with the related parties as covered under section 177 and 188 of the Act.



- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year. Accordingly, clause 3(xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanation given to us, the Company has not entered into any non-cash transaction with its directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 093803N



(Ashwani.K.Gupta)
Partner
M. No. 082808

Place: Panchkula
Date: 01/06/2022
UDIN: 22082808ALPXQI9161

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 2(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF HARYANA MEDICAL SERVICES CORPORATION LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013("the Act")

We have audited the Internal Financial Controls over Financial Reporting of HARYANA MEDICAL SERVICES CORPORATION LIMITED ('the Company') as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accounts of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Company Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial



54

controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls,



material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified:

1. The Company has violated instructions given vide Haryana Government order no. 5/1/2014-IB-II dated 11/02/2014 for engagement of consultants and hiring/outsourcing of required services.
2. Internal Audit was conducted during the year and Internal audit report is available during the Year. Following observations were there: -
 - a. As per sanction letters received from various government departments, colleges and other organization, periodic utilization certificates are to be issued to them by the Company but no such utilization certificates were available for verification.
 - b. Reconciliation of sanction letters issued by the Government Departments with actual amounts received by the Company was not available.
 - c. Fixed asset register has not been maintained specifying details like description, location, original cost, year of purchase, residual value and depreciation etc. Therefore, quality and value of fixed asset is not known.
 - d. Reconciliation of purchase and issue of medicine and equipment between drug portal and accounting books was not available.
 - e. There is no proper system of maintaining the accounting vouchers including Purchase, Cash, Bank etc. Being the basic record, the same should have been maintained in proper order.
 - f. Cash book need to signed and checked by competent authority on periodical basis.
 - g. Process of monthly bank reconciliation with the books need to be prescribed.
 - h. HMSCL making issue to indenting departments from 7 warehouses to Haryana States, although none of such warehouse address has been recorded in GST registration. Also, compliance of E-way bill for the movement of goods has not complied with.



Qualified opinion

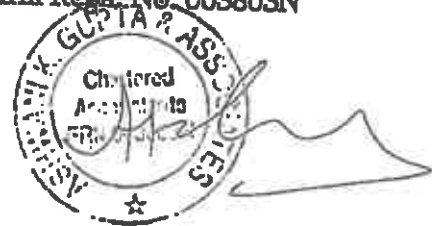
In our opinion, to the best of our information and according to the explanations given to us, except for the effects/possible effects of material weaknesses described above, the Company has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020 based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls over financial reporting issued by ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit test applied in our audit of the financial statements of the Company and aforesaid report and opinion on internal financial control over Financial Reporting should be read in conjunction with our audit report of even date issued on Financial Statements of the Company.

For Ashwani K. Gupta & Associates

Chartered Accountants

Firm Regn. No. 003803N



(Ashwani.K.Gupta)

Partner

M. No. 082808

Place: Panchkula

Date: 01/06/2022

UDIN: 22082808ALPXQI9161

ANNEXURE-C

Annexure to Auditor's Report on the accounts of Haryana Medical Services Corporation Ltd., Panchkula, for the year ended on 31st March, 2020 as referred to in our report of even date. Report on revised General and Specific direction u/s 143(5) of the Companies Act, 2013.

General Directions

1. Whether The Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title, lease deeds are not available.

As per the financial statements produced before us for the audit of above said period, there are no freehold/leasehold properties in the name of the Company.

2. Whether, there are any cases of waiver/write off debts/loans/interest etc.? If yes, the reason there for and amount involved.

As per the financial statements produced before us for the audit of above said period, the Company has no debt/loan/interest during the year.

3. Whether proper records are maintained for the inventories lying with third parties & assets received as gift/grant(s) from the Government or other authorities?

As per the financial statements produced before us for the audit of above said period, the Company has no inventories lying with third parties. No asset was received as gift/grant(s) from the Government or other authorities. The company procures on behalf of third parties and maintains the inventory of third parties in its warehouses for issuing to the indenting department.

Specific Sub-Directions under section 143(5)

1. Whether the Company's pricing policy absorbs all fixed and variable cost of production and overheads allocated at the time of fixation of price?

Not applicable

2. Whether the Company recovers commission for work executed on behalf of Government/other organizations that are properly recorded in books of accounts? Whether the Company has an efficient system for billing and collection of revenues.

Company is authorized by the Government of Haryana to charge 4% process fee as Fit Charges along with the cost of medicines and equipment etc. from the indenting departments on all purchases/works/services made/executed on behalf of those departments.



3. Whether the Company regularly monitors timely receipt of subsidy from Government and its properly recording in the books?

The Company was not eligible for any subsidy from Government during the Financial Year.

4. Whether in interest earned on parking of funds received for specific projects from Government was properly accounted for?

As per the financial statements produced before us for the audit of above said period, the interest earned on parking of funds is accounted on average basis and transferred to respective departments.

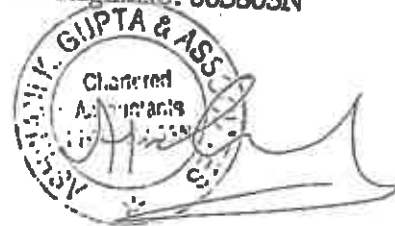
5. Whether the Company has entered into Memorandum of Understanding with its Administrative Ministry. If so, whether the impact thereof has been properly dealt within the financial statements?

As per the information and explanation provided to us, no such memorandum exists.

For Ashwani K. Gupta & Associates

Chartered Accountants

Firm Regn. No. 003803N



(Ashwani.K.Gupta)

Partner

M. No. 082808

Place: Panchkula

Date: 01/06/2022

UDIN: 22082808ALPXQI9161



HARYANA MEDICAL SERVICES CORPORATION LTD
BAYS NO 59-62, SECTOR 2 PANCHKULA HARYANA-134109 CIN : U85100HR2014SGC052468
BALANCE SHEET AS AT 31st MARCH 2020

Particulars	Notes No.	(Amount in Rs.)	
		Figures as at the end of current reporting year 31/03/2020	Figures as at the end of current reporting year 31/03/2019
I. EQUITY AND LIABILITIES			
<i>(1) Shareholder's Funds</i>			
(a) Share Capital	1	50,000,000	50,000,000
(b) Reserves and Surplus	2	224,265,479	109,623,822
(c) Money received against share warrants	-	-	-
<i>(2) Share Application money awaiting allotment</i>			
<i>(3) Non-Current Liabilities</i>			
(a) Long-Term Borrowings	-	-	-
(b) Deferred Tax Liabilities (Net)	-	-	-
(c) Other Long Term Liabilities	-	-	-
(d) Long Term Provisions	-	-	-
<i>(4) Current Liabilities</i>			
(a) Short-Term Borrowings	3	-	-
(b) Trade Payables	4	970,180,722	520,097,274
(b) Other Current Liabilities	5	130,188,311	764,570,860
(c) Short-Term Provisions	6	64,900,336	41,758,148
Total Equity & Liabilities		1,439,534,848	1,486,050,103
II. ASSETS			
<i>(1) Non-Current Assets</i>			
(a) Fixed Assets	7		
<i>(i) Tangible Assets</i>			
(I) Gross Block		10,475,571	9,557,555
(II) Depreciation		7,847,184	6,178,904
(III) Net Block		2,628,388	3,378,652
<i>(ii) Intangible Assets</i>			
(I) Gross Block		82,803	72,003
(II) Depreciation		77,486	65,106
(III) Net Block		5,317	6,817
(b) Non-current Investments	-	-	-
(c) Deferred tax assets (not)	8	91,249	165,690
(d) Long term loans and advances	-	-	-
(e) Other non-current assets	-	-	-
<i>(2) Current Assets</i>			
(a) Current Investments	9	708,807,016	46,089,000
(b) Inventories	-	-	-
(c) Trade receivables	-	-	-
(d) Cash and cash equivalents	10	720,933,651	1,432,970,328
(e) Short-term loans and advances	11	2,901,074	1,659,479
(f) Other current assets	12	4,168,133	1,780,138
See Accompanying Notes & Significant Accounting Policies	13		
Total Assets		1,439,534,848	1,486,050,103

As per out report for even date attached For M/s. Ashwani K Gupta & Associate For Haryana Medical Services Corporation Limited

Chartered Accountants
 CA. Ashwani K Gupta
 (Partner)

(Signature)
 (Managing Director)
 (DIN : 07975118)

(Signature)
 (Director)
 (DIN : 07889615)

Place : PANCHKULA
 Date : 01/06/2022

(Signature)
 (CFO)

(Signature)
 (GM)

(Signature)
 (CS)

Compiled as per books of account and information provided to us For Gaurav Singla & Company Chartered Accountants

CA Gaurav Singla
 M. No. 528041

GAURAV SINGLA & COMPANY
 CHARTERED ACCOUNTANTS
 FRN : 0274111

HARYANA MEDICAL SERVICES CORPORATION LTD
BAYS NO 59-62, SECTOR 2 PANCHKULA HARYANA-134109 CIN : UB5100HR20149GC052468
PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2020

(Amount in Rs.)

Sr. No	Particulars	Notes No.	Figures as at the end of current reporting year 31/03/2020	Figures as at the end of current reporting year 31/03/2019
I	Revenue from operations	14	104,802,874	59,822,521
II	Other Income	15	115,340,913	70,619,151
III	III. Total Revenue (I+II)		220,143,787	130,441,672
IV	Expenses:			
	Direct Expenses	16	11,195,013	15,508,606
	Purchase of Stock-in-Trade	-	-	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-	-	-
	Employee Benefit Expense	17	30,086,685	26,014,401
	Financial Costs	-	-	-
	Depreciation and Amortization Expense	18	1,680,580	1,884,520
	Other Administrative Expenses	19	15,475,688	12,423,051
	(IV) Total Expenses		58,437,966	55,830,578
V	Profit before exceptional and extraordinary items and tax	(III - IV)	161,705,821	74,611,094
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		161,705,821	74,611,094
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		161,705,821	74,611,094
X	Tax expense:			
	(1) Current Year tax		44,582,523	22,947,970
	(2) Previous Year Tax		-	4,443,000
	(3) Deferred tax	8	74,442	-96,281
XI	Profit(Loss) from the period from continuing operations	(IX-X)	117,048,857	47,314,405
XII	Profit(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit(Loss) from Discontinuing operations (XII - XIII)		-	-
XV	Profit(Loss) for the period (XI + XIV)		117,048,857	47,314,405
XVI	Earning per equity share:			
	(1) Basic (no. of Shares 50 Lakhs)		23.41	9.46
	(2) Diluted (no. of Shares 50 Lakhs)		23.41	9.46

See Accompanying notes forming part of the Financial Statement

As per our report for even date attached
 For M/s Ashwani K Gupta & Associate
 Chartered Accountants

For Haryana Medical Services Corporation Limited

C.A. Ashwani K Gupta
 (Partner)


 (Managing Director)
 (DIN : 07973118)


 (Director)
 (DIN : 07889615)

Place : PANCHKULA
 Date : 01/06/2020


 (CFO)


 (GM)


 (CS)

Compiled as per books of account and information provided to us
 For Gaurav Singla & Company
 Chartered Accountants

CA Gaurav Singla
 M. No. 528041



Page 2.

HARYANA MEDICAL SERVICES CORPORATION LIMITED

Cash Flow Statement for the Year Ended 31st March 2020

PARTICULARS	As At 31.03.2020	As At 31.03.2019
A. Cash Flow from Operating Activities		
Net Profit before Tax & extra Ordinary Items	161,705,821	74,611,094
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation		
Interest Expenses	1,680,580	1,884,520
Interest income	(61,744,168)	(34,211,671)
Operating Profit before working capital changes	101,642,233	42,283,943
Adjustment for :		
(Increase)/Decrease in Trade & Other Receivables	-	-
(Increase)/Decrease in Current Assets	(2,388,016)	9,528,063
(Increase)/Decrease in Short term Loan & Advances	(1,241,593)	(987,219)
Increase/(Decrease) in Trade Payable & Other Liabilities	(184,190,580)	(43,705,407)
Cash Generating from Operating Activities	(86,177,958)	5,119,381
Income Tax Paid	(23,956,065)	(37,645,000)
Dividend Paid	-	-
Net Cash from Operating Activities	(110,134,023)	(32,525,619)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(928,806)	(1,992,524)
Purchase of Fixed Deposit	(662,718,016)	(46,089,000)
Sale/Disposal of Fixed Assets	-	-
Interest received	61,744,168	34,211,671
Net Cash from Investing Activities	(609,902,654)	(13,869,853)
C. Cash Flow from Financing Activities		
Repayment of Long Term Borrowings	-	-
Interest Paid	-	-
Net Cash from Financing Activities	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C)	(712,036,677)	(46,395,472)
Cash & Cash Equivalents as on 1st April, 2019(Opening Balance)	1,432,970,328	1,479,365,800
Cash & Cash Equivalents as on 31st March, 2020(Closing Balance)	720,933,651	1,432,970,328
Net Inflow of Cash	(712,036,677)	(46,395,472)

As per our report for even date attached
For M/s Ashwani K Gupta & Associate
Chartered Accountants

For Haryana Medical Services Corporation Limited

CA. Ashwani K. Gupta
(Partner)

(Managing Director)
(DIN : 07973118)

(Director)
(DIN : 07889615)

Place : PANCHKULA
Date : 01/04/20

(CFO)

(GM)

(CS)

Compiled as per books of account and information provided to us
For Gaurav Singla & Company
Chartered Accountants

CA Gaurav Singla
M. No. 528041



20159

HARYANA MEDICAL SERVICES CORPORATION LTD
BAYS NO 59-62 SECTOR 2 PANCHKULA HARYANA-134109
Notes - Forming Integral Part of the Balance Sheet
Note : 1 Share Capital

Sr. No	Particulars	31st MARCH 2020	31st MARCH 2019
1	<u>Authorised Capital</u> Equity Shares - FV 10 - 10000000	100,000,000	100,000,000
	Total in (Rs.)	100,000,000	100,000,000
2	<u>Issued Subscribed & Paid up Capital</u> To the Subscribers of the Memorandum Fully Paid : Equity Shares - F.V. 10 - 5000000	50,000,000	50,000,000
	Total in (Rs.)	50,000,000	50,000,000

3 Reconciliation of number of shares			
Particulars	Opening	Issued during the Year	Closing Balance
<u>Equity Shares With Voting rights</u>			
Year ended 31.03.2019			
No. of Shares	5,000,000		5,000,000
Amounts in Rs.	50,000,000	-	50,000,000
Year ended 31.03.2020			
No. of Shares	5,000,000	-	5,000,000
Amounts in Rs.	50,000,000	-	50,000,000

4 Details of Shareholders holding more than 5% Shares in the Company	31.03.2020		31.03.2019	
	No. of Shares	% Held	No. of Shares	% Held
State Govt., Haryana	4,999,993	99.99	4,999,993	99.99

5 Right Preferences and Restrictions attached to shares
 Equity Shares : The Company has one class of equity shares having par value of Rs. 10 Per Share. Each Shareholder is eligible for one vote per share held. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.

6 Disclosure relating to par value of shares
 The Company has one class of equity shares having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share.

7 Disclosure relating to calls unpaid by Directors & Officers of the Company
 As per records of the Company no calls remained unpaid by the Directors & Officers of the Company as on 31st March 2020

8 SHARE APPLICATION MONEY PENDING ALLOTMENT		
PARTICULARS	31st MARCH 2020	31st MARCH 2019
(1) Share Application Money (Pending Allotment)	Rs. -	Rs. -

9 Related Party Disclosures
 As per Accounting standard AS-18 on Related Party disclosures issued by the Institute of Chartered Accountants of India the disclosure of transactions with the related party as defined in the Accounting standard are given below:

S.NO.	Name of Related Party	Relation	Nature of Transaction	Amount
1	-	-	-	-
2	-	-	-	-



HARYANA MEDICAL SERVICES CORPORATION LTD
BAYS NO 59-62 SECTOR 2 PANCHKULA HARYANA-134109
 Notes :- Forming Integral Part of the Balance Sheet
 Note : 2 Reserve & Surplus

Sr. No.	Particulars	31st MARCH 2020	31st MARCH 2019
1	Surplus (Profit & Loss Account)		
	Balance brought forward from previous year	224,263,479	109,623,822
	Add: -	109,623,822	64,716,617
	Net profit/loss during the year transferred from P&L A/C		
	Less: -	117,048,857	47,314,405
	- Proposed Dividend (For FY 2018-19)	2,000,000	2,000,000
	- Provision for Dividend Distribution Tax	407,200	407,200
2	Medicines Reserve		
	Opening Balance	-	-
	Additions :	-	-
	Total in (Rs.)	224,263,479	109,623,822
Note : 3 Short Term Borrowings			
Sr. No.	Particulars	31st MARCH 2020	31st MARCH 2019
		-	-
	Total in (Rs.)	-	-
Note : 4 Trade Payables			
Sr. No.	Particulars	31st MARCH 2020	31st MARCH 2019
(A)	Total outstanding dues of micro enterprises and small enterprises:		
	- Pharma	50,471,127	59,380,000
	- Equipments	4,996,298	6,984,426
(B)	Total outstanding dues of creditors other than micro enterprises and small enterprises:		
	- Pharma	501,046,890	377,483,815
	- Equipments	413,666,401	76,240,033
	Total in (Rs.)	970,180,723	520,097,274



Note : 5 Other Current Liabilities			
Sr. No.	Particulars	31st MARCH 2020	31st MARCH 2019
	Advances from Departments		
	ADC Rohtak Fund For Ambulance	5,912,243	5,610,110
	Maharaja Aggarwal Medical College (Hisar)	3,049,771	2,916,240
	Ayush	6,637,171	6,297,990
	BPS-Soolpat	3,350,297	12,073,910
	DGHS Pharma & Equipment	(63,047,894)	291,989,440
	ESI Equipment Fund	1,056,635	178,770
	Fund for Bed sheets	50,147	47,580
	Kalpna Chawla College	1,450,407	41,244,960
	Mewat Medical College	1,268,248	49,530,100
	NHM	13,510,554	63,211,460
	Malaria fund	21,117,338	49,752,000
	PGIDS Rohtak Fund	2,400,979	16,500
	PGIMS Rohtak Fund	8,026,625	102,258,920
	Power Plant Corporation fund	127,122	120,630
	Prison Fund	1,738,966	1,695,620
	Saket (Mother Teresa)	6,086,703	5,472,180
	UHBVNL (Bios Dept)	60,968	57,850
	WCD- Fund	5,000,582	35,664,630
	PWD Fund	2,019,037	1,915,860
	Accounts Officer Hygiene	864,621	1,187,620
	HPOCL Fund	995,932	403,500
	WBO Fund	533,907	506,620
	Welfare Commission Haryana Lab	1,928,218	1,915,860
	Expenses Payable (Sundry Creditors)	8,579,276	5,839,234
	EMD from Vendors	53,622,480	65,225,352
	GST Payable	25,834,935	13,662,101
	Testing Charges Refundable	13,300,598	
	Other Payables (as per Ann-1 enclosed)	4,712,426	3,775,822
	Total in (Rs.)	130,188,311	764,570,860
<p>Note: - Advances received from Government/ Semi Government and Institutions is received for purchase of drugs medical and surgical items in bulk. The Company holds the stock on behalf of such organisations till the drugs medical & surgical items are not dispatched as per order. Further Sundry Creditors are related to Government/Semi Government and Institutions. As per Board of Director Resolution, Recovery of Lab testing charges will not be treated as Income and Net of Lab Testing charges received and paid will be refunded to supplier and same have been booked as Testing Charges Refundable under the Head "Current Liability."</p>			

Note : 6 Short-Term Provisions			
Sr. No.	Particulars	31st MARCH 2020	31st MARCH 2019
	Provision for Income Tax (Net of Advance Tax & TDS) (Previous Years)	34,645,078	34,536,548
	Provision for Income Tax (AY 2020-21) (Net of Advance Tax & TDS)	20,626,458	-
	Provision for Dividend	8,000,000	6,000,000
	Provision for Dividend Distribution Tax	1,628,800	1,221,600
	Total in (Rs.)	64,900,336	41,758,148

Page 6



62.

HARYANA MEDICAL SERVICES CORPORATION LTD
DETAILED DEPRECIATION CHART FOR F. Y. 2015-20

FOR TANGIBLE ASSETS EXISTING AS ON 31.03.2015

Page No. 7

Date of Purchase / Particular	Original Cost (Rs)	Dep. charged upto 31.03.2015	WDV as on 01.04.2015	Life as per AS-4	Life as per Ch. Act, 2013	Block Life Taken	Life Used till 31/03/2020	Remaining 2 Life	Salvaged value	Depreciable amount over value life	Scrap Dep. (Almost always ignored)	Rate of Dep.	Day for the Year 2015-20	Adjusted with Residual Scraping	WDV as on 31st Mar 2020
03-Feb-2014 Furniture & Fixtures	1,133,175	3,209,554	246,426	10	10	10	6	4	17,739	2,412,416	-	0.29	199,419	-	382,114
10-Apr-2014 Road, Open Drain	30,804	40,889	10,109	10	10	10	6	4	2,543	4,441	-	0.29	2,916	-	1,148
30-Mar-2015 Furniture & Fixtures	75,500	23,702	32,002	10	10	10	4	6	3,071	34,731	-	0.27	11,100	-	19,581
31-Mar-2016 Cabin Work	181,516	125,208	54,792	10	10	10	4	6	5,003	172,318	-	0.25	14,100	-	60,398
14-Oct-2015 Pm	3,505	1,213	970	15	15	15	11	4	118	3,099	-	0.19	181	-	287
17-May-2016 Furniture & Fixtures	3,420	1,370	1,230	15	15	15	11	4	129	2,309	-	0.18	201	-	919
06-Nov-2016 Furniture & Fixtures	171,605	104,450	69,440	10	10	10	3	7	8,592	103,348	-	0.27	15,079	-	40,326
20-Mar-2017 Furniture & Fixtures	23,180	17,210	11,210	10	10	10	3	7	2,120	40,381	-	0.28	6,470	-	1,749
04-Jun-2017 Pm	18,172	17,080	20,890	10	10	10	3	7	1,588	35,264	-	0.28	6,000	-	1,690
20-Jun-2017 Pm	18,900	8,200	10,700	10	10	10	3	7	945	35,264	-	0.28	6,000	-	1,690
04-Feb-2018 Furniture & Fixtures	10,920	12,858	22,658	10	10	10	3	7	1,500	17,003	-	0.28	4,850	-	1,690
06-Apr-2017 Furniture & Fixtures	81,520	30,010	32,690	10	10	10	3	7	1,500	31,500	-	0.28	4,850	-	1,690
11-Apr-2017 Furniture & Fixtures	5,561	3,178	3,392	10	10	10	3	7	4,176	79,344	-	0.28	4,850	-	1,690
11-Mar-2017 Furniture & Fixtures	9,088	4,708	5,320	10	10	10	3	7	328	52,12	-	0.28	4,850	-	1,690
30-Mar-2017 Furniture & Fixtures	5,715	2,650	3,070	10	10	10	3	7	285	9,489	-	0.28	4,850	-	1,690
04-Aug-2017 Furniture & Fixtures	10,843	4,708	6,148	10	10	10	3	7	342	10,205	-	0.28	4,850	-	1,690
04-Oct-2017 Furniture & Fixtures	128,300	12,750	74,650	10	10	10	3	7	8,223	130,123	-	0.28	4,850	-	1,690
14-Nov-2018 Furniture & Fixtures	6,800	2,500	4,100	10	10	10	3	7	310	6,310	-	0.28	4,850	-	1,690
17-Aug-2018 Furniture & Fixtures	8,600	2,500	3,600	10	10	10	3	7	458	7,848	-	0.28	4,850	-	1,690
17-Aug-2018 Aluminium Cabinet	79,000	14,300	65,600	10	10	10	3	7	3,959	75,110	-	0.28	4,850	-	1,690
04-Jun-2018 Chair	7,075	1,340	5,510	10	10	10	3	7	354	6,772	-	0.28	4,850	-	1,690
17-Feb-2018 Pm	4,520	850	3,600	10	10	10	3	7	226	4,294	-	0.19	1,300	-	3,994
14-Apr-2018 Furniture & Fixtures	31,247	3,120	30,326	13	13	13	3	10	1,027	23,100	-	0.19	2,816	-	10,172
11-Nov-2018 Furniture & Fixtures	30,610	6,880	23,990	10	10	10	3	7	1,131	29,148	-	0.28	4,850	-	1,690
21-Nov-2018 Furniture & Fixtures	1,150	910	7,720	10	10	10	3	7	448	8,311	-	0.28	4,850	-	1,690
10-Jan-2019 Furniture & Fixtures	17,400	7,520	20,810	10	10	10	3	7	3,879	27,430	-	0.28	4,850	-	1,690
05-Nov-2019 Furniture & Fixtures	27,100	1,290	28,810	10	10	10	3	7	1,005	30,595	-	0.28	4,850	-	1,690
24-Mar-2019 Furniture & Fixtures	2,000	410	1,910	10	10	10	3	7	109	1,800	-	0.28	4,850	-	1,690
24-Mar-2019 Furniture & Fixtures	13,661	960	17,460	10	10	10	3	7	332	17,121	-	0.28	4,850	-	1,690
10-Mar-2019 Furniture & Fixtures	13,040	220	12,600	10	10	10	3	7	413	12,817	-	0.28	4,850	-	1,690
14-Mar-2019 Furniture & Fixtures	4,680	718	6,570	10	10	10	3	7	2,125	44,370	-	0.28	4,850	-	1,690
14-Oct-2018 Kitchen	1,100	190	11,620	10	10	10	3	7	598	11,210	-	0.28	4,850	-	1,690
14-Oct-2018 Od House	4,407	980	3,830	10	10	10	3	7	560	10,420	-	0.28	4,850	-	1,690
17-Aug-2018 Whirlpool Washing Machine	11,000	760	10,210	10	10	10	3	7	600	7,005	-	0.28	4,850	-	1,690
17-Feb-2019 Whirlpool Washing Machine	8,000	1,430	6,510	10	10	10	3	7	188	3,011	-	0.28	4,850	-	1,690
27-Oct-2018 Zebra Brand	21,768	70	2,052	10	10	10	3	7	188	2,011	-	0.28	4,850	-	1,690
14-May-2019 Furniture & Fixtures	42,930	2,178	21,042	10	10	10	3	7	1,188	22,371	-	0.28	4,850	-	1,690
21-Apr-2019 Furniture & Fixtures	55,100	-	48,930	15	15	15	14	1	1,98	36,901	-	0.19	6,910	-	15,045
19-Apr-2019 Furniture & Fixtures	22,000	-	51,200	15	15	15	14	1	2,041	38,901	-	0.19	6,910	-	15,045
22-Feb-2019 Furniture & Fixtures	31,300	-	38,000	15	15	15	14	1	2,785	33,333	-	0.19	6,910	-	15,045
24-Sep-2019 Furniture & Fixtures	49,000	-	48,600	15	15	15	14	1	1,100	29,900	-	0.19	2,900	-	48,700
30-Sep-2019 Furniture & Fixtures	6,200	-	6,200	15	15	15	14	1	1,823	31,625	-	0.19	2,900	-	48,700
30-Sep-2019 Furniture & Fixtures	23,150	-	23,150	15	15	15	14	1	2,020	36,370	-	0.19	2,900	-	48,700
19-Dec-2019 Furniture & Fixtures	20,000	-	20,000	15	15	15	14	1	310	3,890	-	0.19	2,900	-	48,700
04-Feb-2020 Furniture & Fixtures	17,000	-	17,000	15	15	15	14	1	1,020	22,542	-	0.19	2,900	-	48,700
21-Feb-2020 Furniture & Fixtures	12,000	-	12,000	15	15	15	14	1	850	17,015	-	0.18	1,800	-	21,150
				15	15	15	14	1	500	17,010	-	0.18	1,800	-	21,150



(10) Plant And Machinery

1-Apr-2014	AC	705,168	456,619	249,850	15	15	15	15	35,323	671,145	0.20	48,830	201,019
1-Apr-2014	Elec Fittings	200,964	137,198	69,770	15	15	15	15	10,348	198,816	0.19	13,310	55,436
1-Apr-2014	Refrigerator	32,500	23,113	9,190	15	15	15	15	1,625	20,875	0.18	1,680	7,727
1-Apr-2014	RO Aquafresh	37,325	22,993	9,350	15	15	15	15	1,616	30,709	0.18	1,650	7,682
1-Apr-2014	Stabfizer	56,130	35,675	10,050	15	15	15	15	2,116	57,304	0.20	4,100	16,545
1-Apr-2014	Verticle Blend	133,540	88,318	45,020	15	15	15	15	6,677	126,863	0.19	8,000	36,472
1-Apr-2014	Water Cooler	46,866	30,896	15,970	15	15	15	15	2,343	44,523	0.19	3,070	12,900
1-Apr-2015	Cyber	3,200	1,843	1,260	15	15	15	15	160	3,000	0.19	260	1,027
1-Mar-2016	Stabilizer	202,314	111,311	91,000	15	15	15	15	10,116	121,988	0.18	16,480	74,523
18-Nov-2016	Battery & Inverter	4,200	1,927	2,270	15	15	15	15	210	3,990	0.19	420	1,853
28-Nov-2016	Battery & Inverter	5,000	2,765	3,040	15	15	15	15	280	5,320	0.18	560	2,475
11-Mar-2017	Battery & Inverter	1,300	585	710	15	15	15	15	65	1,235	0.18	130	585
14-Mar-2017	Biometric Machine	34,703	11,533	11,590	15	15	15	15	1,235	23,468	0.19	2,490	10,660
10-Jun-2016	Camera	2,557	1,154	1,400	15	15	15	15	411	2,145	0.18	350	1,153
18-Nov-2016	Car	23,084	10,816	12,240	15	15	15	15	1,153	21,901	0.19	2,310	9,908
12-Nov-2016	Car	746,951	516,742	230,210	8	8	8	8	372,448	709,403	0.32	74,240	155,460
23-Jul-2016	Desert Cooler	7,600	3,456	4,160	15	15	15	15	340	7,260	0.19	810	3,354
3-Jan-2017	Computer	70,000	74,100	3,500	3	3	3	3	3,000	74,100	-	3,950	-
20-Feb-2017	Computer	81,200	81,790	4,410	3	3	3	3	4,410	83,790	-	4,410	-
23-Dec-2016	LCD TV	258,164	245,240	12,910	3	3	3	3	11,908	263,256	-	12,910	-
21-Jun-2017	Printer	10,800	10,263	540	3	3	3	3	540	10,260	-	540	-
10-Nov-2016	Scanner Machine	87,000	12,604	4,350	3	3	3	3	4,350	87,450	-	4,350	-
11-Mar-2017	TVS Scanner	5,930	5,648	300	3	3	3	3	296	5,652	-	300	-
8-Aug-2017	AC	29,190	28,259	1,490	3	3	3	3	1,488	24,302	-	1,490	-
22-Aug-2017	AC	44,512	23,420	54,510	15	15	15	15	3,847	73,082	-	10,330	43,980
17-Aug-2017	Stabilizer	3,500	730	31,810	15	15	15	15	2,726	42,266	-	6,140	25,672
20-Oct-2017	Battery & Inverter	5,200	1,800	1,770	15	15	15	15	125	2,375	-	340	1,430
2-May-2017	Biometric Machine	10,000	2,340	7,660	15	15	15	15	265	3,035	-	680	2,320
1-Aug-2017	Desert Cooler	5,800	1,940	2,160	15	15	15	15	500	9,500	-	1,480	6,180
18-Sep-2017	Computer	69,000	62,270	6,730	3	3	3	3	290	5,10	-	740	3,120
18-Sep-2017	Computer	57,377	50,860	6,420	3	3	3	3	3,450	65,550	-	3,180	3,450
29-Sep-2017	Computer	57,377	30,740	6,610	3	3	3	3	2,869	54,501	-	3,550	2,467
28-Sep-2017	Computer	10,493	9,350	1,240	3	3	3	3	2,669	34,501	-	3,770	2,867
6-Oct-2017	Computer	1,27,380	108,030	14,350	3	3	3	3	530	10,063	-	710	2,867
11-Nov-2018	Computer	3,125	2,750	280	3	3	3	3	6,119	116,261	-	533	6,130
12-Dec-2017	Printer & Scanner	411,016	339,170	71,350	3	3	3	3	156	2,069	-	220	115
9-Nov-2018	Printer & Scanner	74,576	63,470	12,110	3	3	3	3	20,551	390,463	-	51,000	20,546
7-Jul-2017	TVS Scanner	11,864	9,380	2,480	3	3	3	3	3,759	70,847	-	3,380	3,726
30-Jun-2017	Mobile & Telephone	11,900	11,290	610	3	3	3	3	593	11,271	-	1,490	594
12-Sep-2017	Mobile & Telephone	16,086	5,610	10,480	3	3	3	3	595	11,105	-	20	590
14-Sep-2017	Mobile & Telephone	11,900	3,730	8,170	13	13	13	13	904	15,212	-	2,320	8,156
7-Feb-2018	Mobile & Telephone	28,390	7,330	17,660	13	13	13	13	595	11,105	-	1,810	6,300
19-Nov-2018	EPA BX System	3,100	510	1,500	13	13	13	13	1,370	24,120	-	3,870	13,590
17-Oct-2018	Biometric Machine	9,191	780	41,530	5	5	5	5	105	1,995	-7	350	1,240
24-Apr-2018	Computer & Hardware	375,061	249,010	106,050	15	15	15	15	460	47,585	0.34	22,340	19,268
					2	2	2	2	14,753	1,731	0.19	1,680	6,791
					3	3	3	3	11,753	356,304	0.30	45,250	20,781



64

(C) Office Equipment																
Date of Purchase / Put to use	Particular	Original Cost (Ru)	Dep charged upto 31.03.2019	WDV as on 01.04.2019	Life as per AS-6	Life as per Co. Act, 2013	Useful Life Taken	Life Used (in 31.03.2020)	Remaining Life	Salvaged value	Depreciable amount over whole life	Excess Dep. (Already charged)	Rate of Dep.	Dep for the Year 2019-20	Adjusted with Received (Excess)	WDV as on 31st Mar-2020
11-Jan-2018	Books : Office equipment	30,000	29,070	30,930	5	5	5	5	2	3	2,700	47,300	0.53	11,180	-	9,750
1-Apr-2017	EPABX System	70,469	54,700	15,770	5	5	5	5	3	2	3,323	66,946	0.53	8,320	-	7,440
1-Apr-2019	Books : Office equipment	3,150	-	3,450	5	5	5	5	1	4	173	3,277	0.52	1,660	-	1,790
1-May-2019	Books : Office equipment	9,800	-	9,900	5	5	5	5	1	4	495	9,405	0.52	4,740	-	5,160
31-May-2019	Books : Office equipment	3,200	-	3,300	5	5	5	5	1	4	160	3,040	0.51	1,380	-	1,520
	Total Assets	10,475,471	6,170,904	4,284,706							523,789	9,951,781		1,664,380		2,628,398

FOR INTANGIBLE ASSETS EXISTING AS ON 31.03.2020

Date of Purchase / Put to use	Particular	Original Cost (Ru)	Dep charged upto 31.03.2019	WDV as on 01.04.2019	Life as per AS-6	Life as per Co. Act, 2013	Useful Life Taken	Life Used (in 31.03.2020)	Remaining Life	Salvaged value	Depreciable amount over whole life	Excess Dep. (Already charged)	Rate of Dep.	Dep for the Year 2019-20	Adjusted with Received (Excess)	WDV as on 31st Mar-2020
31-Mar-2017	Software	54,000	51,796	2,700	3	3	3	3	3	2,700	51,300	-	2,700	-	-	
6-Oct-2017	Software	7,303	6,330	870	3	3	3	2	1	543	6,743	-	510	-	963	
1-Mar-2018	Software	10,800	7,560	3,240	3	3	3	2	1	540	10,260	-	2,620	-	620	
12-Jan-2019	Software	10,800	-	10,800	3	3	3	1	2	540	10,260	-	6470	-	4,330	
	Total Assets	82,903	65,186	17,610						4,140	79,663	-	12,380	-	5,117	

Note :-

Fixed assets, except land are carried at cost less accumulated depreciation. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular, are capitalized and depreciated over the useful life of the principal item of the relevant asset. Subsequent expenditures relating to fixed assets is capitalized only if such expenditures result in an increase in the future benefits from such asset beyond its previously assessed standard of performance.



66

7

HARYANA MEDICAL SERVICES CORPORATION LTD
BAYS NO 59-62 SECTOR 2 PANCHKULA HARYANA-134109

Note : 8 Deferred Tax Assets

DEFERRED TAX CALCULATIONS	
Depreciation as per IT Act, 1961	1,318,050
Depreciation as per CA, 2013.	1,680,580
Difference	362,530
Income tax rate	25.17
BTL (A)	91,249
Tax Liability/Asset as on closing date of Current Financial Year	91,249
Tax Liability/Asset as on Opening date of Current Financial Year	165,690
Amount to be transferred to Profit & Loss	74,442

Page 11



HARYANA MEDICAL SERVICES CORPORATION LTD
BAYS NO 59-62 SECTOR 2 PANCHKULA HARYANA-134109

Notes :- Forming Integral Part of the Balance Sheet

Note : 9 Current Investments

Sr. No.	Particulars	31st MARCH 2020	31st MARCH 2019
1	Fixed Deposits with Bank	708,807,016	46,089,000
	Sub Total (A)	708,807,016	46,089,000

Note : 10 Cash & Cash Equivalent

Sr. No.	Particulars	31st MARCH 2020	31st MARCH 2019
1	Cash-in-Hand	32,983	18,895
	Sub Total (A)	32,983	18,895
2	Bank Balance (as per Ann-II enclosed)	717,809,772	1,429,054,680
	Sub Total (B)	717,809,772	1,429,054,680
3	Cheques Drafts on Hand Cheque/Draft in Hand for EMD Cheque/Draft in Hand for Tender Fee	3,081,524 9,372	3,896,754 -
	Sub Total (C)	3,090,896	3,896,754
	Total (A + B + C)	720,933,651	1,432,970,328

Note:-

Cash comprises cash in hand and cash equivalents, Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) highly liquid investments that are readily convertible into know amounts cash and which are subject to insignificant risk of changes in value.

Note : 11 Short Term Loan & Advances

Sr. No.	Particulars	31st MARCH 2020	31st MARCH 2019
	<u>Secured considered goods:</u>		
	<u>Un-Secured considered goods:</u>		
	Advance to Staff (Imprest)	398,464	287,195
	Advance to Hartron	648,220	596,393
	Advance to Indian Oil Corp.	133,811	88,465
	Advance to NHM	70,800	70,800
	Advance to HSRC	143,000	143,000
	Advance To Hafed	307,426	307,426
	Director State Institute of Health & Family Welfare	19,000	19,000
	Shriram Institute- Lab Testing	-	147,200
	Advance To Sai Ram Security, Rohtak	251,114	-
	Advance To Scott Edill	153,075	-
	Advance To Sterimed Medical Devices (P) Limited	757,465	-
	Advance To Sun Pharma	18,699	-
	<u>Doubtful</u>		
	Total in (Rs.)	2,901,074	1,659,479

Note : 12 Other Assets

Sr. No.	Particulars	31st MARCH 2020	31st MARCH 2019
1	<u>Current Assets- Other</u>		
	Prepaid Expenses		229,846
	Prepaid DPMU Charges		-
	Interest Acorued on FDR's		1,550,292
	Total in (Rs.)	4,168,153	1,780,138



HARYANA MEDICAL SERVICES CORPORATION LTD
 Notes Forming Part of the Profit & Loss Account for the year ended
 Note : 14 Revenue from Operations

Sr. No.	Particulars	31st MARCH 2020	31st MARCH 2019
1	Fit Charge	104,802,874	59,822,521
	Total in (Rs.)	104,802,874	59,822,521

Note:-
 The corporation has been set up by Government of Haryana with the objective of buying procurement storage and distribution of drugs medicine and surgical items for various government hospitals and institutions/ organizations. As per Government of Haryana notification no. 15/65/2014-6HBI dated 31st October 2014 HMSCL is authorized to charge 4% process fee as Fit Charges along with the cost of medicines and equipment etc. from the indenting departments as on all purchases/works/services made/awarded on behalf of those departments.

Note : 15 Other Income

Sr. No.	Particulars	31st MARCH 2020	31st MARCH 2019
1	Interest		
2	Late Supply Charges	61,744,168	34,211,671
3	Other Deductions	20,449,260	22,660,998
4	Tender Fees	7,587,614	604,934
5	Testing Charges Recovered	1,634,077	1,807,259
7	Liability written back		8,936,615
8	Short Supply Deduction		118,421
9	Penalty		66,517
10	Round off	23,924,734	2,212,406
	Total in (Rs.)	115,340,813	70,619,151

Note:- Revenue of Late Supply Penalty received towards late supply of Drugs to HMSCL will be treated as revenue of the Company from F.Y. 2015-16 onwards.

As per Board of Director Resolution, Recovery of Lab testing charges will not be treated as Income and Net of Lab Testing charges received and paid will be refunded to supplier and same have been booked as "Testing Charges Refundable under the Head "Current Liability."

HMSCL received advance towards drugs and medical equipment's. HMSCL has kept this advance at Bank Account (including Auto Sweep A/c) and earned interest on it. The said interest income is accounted on accrual basis. Interest earned has been transferred to Government Departments on the basis of average closing balance of each Government Department.

Note : 16 Direct Expenses

Sr. No.	Particulars	31st MARCH 2020	31st MARCH 2019
1	Postage & Courier		
2	Postal Charges	466,239	351,618
3	Publication & Advertising Exp	736,160	2,375,000
4	Rent of Warehouses	202,906	1,004,638
5	Testing Fee	9,744,098	9,354,794
6	Loading/ Unloading Charges		2,090,407
	Total in (Rs.)	11,195,073	15,508,666

Note : 17 Employment Benefit Expenses

Sr. No.	Particulars	31st MARCH 2020	31st MARCH 2019
1	Salaries		
2	Salaries under Outsourcing Contracts	15,041,352	15,039,615
3	Allowances	14,779,354	10,075,278
4	Staff Welfare		26,335
5	TADA (Travelling & Conveyance)		17,402
	Total in (Rs.)	30,086,695	25,078,483

Note : 18 Depreciation & Amortized Cost

Sr. No.	Particulars	31st MARCH 2020	31st MARCH 2019
1	Depreciation	1,680,580	1,884,520
	Total in (Rs.)	1,680,580	1,884,520

Note : 19 Other Administrative Expenses

Sr. No.	Particulars	31st MARCH 2020	31st MARCH 2019
1	Statutory Audit Fee		
2	Bank Charges	30,000	30,000
3	Electricity & Water Bills	5,689	6,888
4	Fuel Charges	1,498,897	1,607,530
5	Accounting Charges	230,929	256,297
6	Insurance	94,500	99,500
7	Office Maintenance	405,579	354,982
8	Office Hospitality	699,687	443,255
9	Legal & Professional Charges	326,890	412,777
10	Rates, Interest, fee & Taxes	1,019,610	2,503,078
11	Rent of Office Building	510,010	77,035
12	Repair and Maintenance	4,205,931	3,906,043
13	Printing & Stationery	387,532	781,995
14	Telephone expenses	608,635	632,358
15	Prior Period expenses	376,647	348,079
16	Training Programme	4,618,014	483,249
17	Vehicle Running & Maintenance	397,048	70,800
18	Water Charges	60,022	409,185
	Total in (Rs.)	15,475,688	12,423,051

GAURAV SINGLA & COMPANY
 FRN 10781/JN
 Panchkula
 CHARTERED ACCOUNTANTS



Ann - I 'Others Payable

Sr. No.	Particulars	31st MARCH 2020	31st MARCH 2019
1	Statutory Audit Fee	102,100	102,100
2	WH Expense Payable	422,064	522,941
3	Telephone Expenses	-	12,476
4	Salary	935,458	697,206
5	TDS Payable	102,279	184,672
6	Hospitality INE	-	32,083
7	Central Plan Scheme Monitoring	1,035,370	1,035,370
8	TDS Payable Under GST	4,053	-
9	GIS	780	360
10	GPF	20,000	50,000
11	TA/DA Payable	-	5,288
12	EPF & ESI Payable	1,508,979	154,395
13	Employees Salary Deduction Payable	-	15,333
14	Leave Salary & Pension Contribution Payable	195,032	60,519
15	Donation Deduction for COVID -19	13,596	-
16	Car Usage Employee	4,000	-
17	Licence Fee	1,483	-
18	NPS Deduction	55,637	-
19	Staff Advance	13,360	-
20	Provision for expenses	298,235	903,079
Total in (Rs.)		4,712,426	3,375,822

Ann - II 'Bank Balance

Sr. No.	Particulars	31st MARCH 2020	31st MARCH 2019
1	Oriental Bank of Commerce-053	285,004,969	384,844,579
2	Oriental Bank of Commerce-117	29,166,878	1,277,503
3	HDFC-9021	4,891,755	349,656,404
4	HDFC 9608	9	25,075,160
5	HDFC 0058	119,802,179	423,993,143
6	Indusind Bank	277,540,079	242,371,447
7	State Bank of India - 18638	55,836	-
8	Bank WH-Hissar HDFC	126,130	255,127
9	Bank WH-Kaithal HDFC	101,551	130,701
10	Bank WH-Bhiwani	33,270	235,512
11	Bank WH-Ambala	375,835	242,620
12	Bank WH-Karnal HDFC	133,489	411,958
13	Bank WH-Gurgaon	134,377	317,332
14	Bank WH-Rohtak	443,415	243,193
Total in (Rs.)		717,809,772	1,429,054,680

Page 14



List Of Warehouse Expenses

Sl. No.	Name of Expenses	Ambala	Bilwari	Gurgaon	Hisar	Kaithal	Karnal	Rohitk	Total
1	Bank Charges	413	218	1,265	18	18	3	2,565	4,499
2	Electricity	163,987	-	304,128	167,697	231,214	155,081	227,728	1,249,835
3	Fuel Charges	37,002	27,000	33,847	16,280	12,915	50,000	53,885	230,929
4	Loading and Unloading Charge	2,200	-	2,100	-	5,000	16,310	-	25,610
5	Office Maintenance	2,270	8,418	18,143	10,467	12,215	9,966	57,785	119,264
6	Postage & Courier	23,079	24,571	60,443	19,650	18,305	30,977	29,980	209,005
7	Printing & Stationery	16,606	11,884	36,120	23,945	11,938	15,732	39,130	155,354
8	Rent	3,183,392	-	3,583,254	-	-	2,977,452	-	9,744,098
9	Repair & Maintenance	13,571	38,809	31,148	17,140	33,159	9,460	21,668	164,955
10	Salaries	472,680	472,680	123,170	-	-	-	-	595,850
11	Salaries under Outsourcing	2,311,658	1,043,648	2,450,237	1,462,252	1,773,554	1,584,606	2,810,403	13,436,358
12	Contracts	-	-	-	-	-	-	-	-
13	TA/DA (Travelling & Conveyance)	-	2,750	900	-	-	-	2,500	6,150
14	Telephone expenses	18,807	15,255	5,137	4,933	16,883	10,887	8,478	80,380
15	Insurance Charges	55,727	46,225	59,302	43,610	49,745	57,102	79,040	390,751
16	Water Charges	17,292	11,680	31,050	-	-	-	-	60,022
	Total	5,848,003	3,743,138	6,637,174	1,889,061	2,364,946	4,917,569	11,308,160	26,443,860



71

HARYANA MEDICAL SERVICES CORPORATION LTD
BAYS NO 59-62 SECTOR 2 PANCHKULA HARYANA-134109
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.1961

Schedule of Fixed Asset as per Income Tax, 1961

Description of Assets	RATE (%)	W.D.D. (10%)		TOTAL	DEPRECIATION	NET ASSET VALUE
		W.D.D. (10%)	Classified 100 days			
(A) Plant & Machinery						
Air Conditioner	50%	404,850	-	404,850	61,110	343,740
Electrical Work	15%	94,490	70,118	164,608	24,690	140,000
Bank over Type	15%	22,580	-	22,580	3,380	19,200
Soft Water	15%	14,420	-	14,420	2,160	12,260
RO Aquafresh	15%	14,340	-	14,340	2,150	12,190
Shower	15%	161,720	-	161,720	21,260	140,460
Ventilator Blinds	15%	81,240	-	81,240	12,180	69,060
Water Cooler	15%	20,790	-	20,790	3,120	17,670
Cycle	15%	1,670	-	1,670	250	1,420
Radios	15%	10,650	35,595	46,245	7,000	39,245
Electronic Machines	15%	16,300	-	16,300	2,440	13,860
Camera	15%	14,160	-	14,160	2,120	12,040
Car	15%	499,200	-	499,200	74,880	424,320
LCRTV	15%	117,110	-	117,110	17,560	99,550
Desert Cooler	15%	8,660	-	8,660	1,300	7,360
ELABX System	15%	159,710	-	159,710	23,950	135,760
Aluminium Cabin	15%	67,830	-	67,830	10,170	57,660
Weighing Machine	15%	8,760	-	8,760	1,310	7,450
Fire Extinguisher	15%	-	25,200	25,200	3,780	21,420
Hand Pallet Truck	15%	-	19,000	19,000	2,850	16,150
(A) Plant & Machinery	40%	1,191,430	385,376	1,576,806	237,270	1,339,536
Computer	40%	151,760	61,684	213,444	32,010	181,434
Printer & Scanners	40%	23,540	10,800	34,340	5,150	29,190
Subways	40%	111,240	44,490	155,730	23,360	132,370
Mobile, Telephone & Tablet	40%	24,000	14,550	38,550	5,780	32,770
Books & Periodicals	40%	-	-	-	-	-
(C) Furniture & Fixtures	10%	2,220,320	224,200	2,444,520	371,190	2,073,330
Furniture & Fixtures	10%	2,220,320	224,200	2,444,520	371,190	2,073,330
TOTAL (RS.)		5,737,460	681,723	6,419,183	1,318,150	5,101,033

Notes:
 1. Depreciation has been provided at the rate specified in the Income Tax Act, 1961



72

Haryana Medical Services Corporation Limited

Notes to Financial Statements

For The Year Ended 31st March, 2020

Background

The corporation has been set up by the Government of Haryana vide Notification No. 15/63/2014-6HBII dated 30.04.2014, with the objective of buying/procurement, storage and distribution of drugs, medicine and surgical item etc, for Government Hospitals, Primary Health Centers and other institutions, etc.

12. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

A. Method of accounting

The financial statements are prepared on the accounting principal of going concern. The company follows accrual method of accounting and financial statement have been prepared in accordance with historical cost convention which are in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. All expenses and income to the extent ascertainable with reasonable certainty are accounted on accrual basis. The Accounting Policies adopted in the preparations of financial statements are consistent with those of previous except stated otherwise.

B. Classification of Current and Non-Current

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

C. Use of Estimate

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumption to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates and difference between actual results and estimates are recognized in the periods in which the results are known/materialized.



1.

D. Prior Period Items

Prior Period Items means which arise in the current period as result of 'errors' or 'omission' in the financial statements prepared in the earlier year, effects of change in estimates of which are not treated as omission or error.

E. Valuation of Inventories

The Company procures drugs, medicines, medical consumables, surgical & hospital equipment & related items from various suppliers/manufacturers, stores them at its warehouses as per requirements raised by specific Government /indenting department & distributes them to various Government Hospitals and approved institutions and maintains the inventory of these items on behalf of Government Hospitals and Institutions. As such inventory lying with the corporation is to maintain their quality of stock belonging to respective indenting department.

F. Changes in Accounting Policies

There is no change in accounting policies applied during the preparation of current year financial statement.

G. Revenue Recognitions:

Revenue is recognized when it is earned and no significant uncertainty as to their realization or collection.

The corporation has been set up by Government of Haryana with the objective of buying/procurement, storage and distribution of drugs, medicines and surgical items for various government hospitals and institutions/organizations. As per Government of Haryana notification no. 15/65/2014-66HBII dated 31st October 2014, HMSCL is authorized to charge @ 4% process fee as Fit Charge +GST (as per direction of Finance department dated 26.07.2020 Vide letter no. 1875/GST-II) along with the cost of medicines and equipment etc. from the indenting departments as on all purchases/works/services made/executed on behalf of those departments.

Revenue of Risk Purchase, Sub Standard, other deduction and Misc. Income Received during the year are treated as revenue of the Company from F.Y. 2015-16 onwards.

Revenue of Late Supply Penalty received towards late supply of Drugs to HMSCL are treated as revenue of the Company from F.Y. 2015-16 onwards.

As per Board of Director Resolution, Recovery of Lab Testing charges will not be treated as Income and Net of Lab Testing charges received and paid will be refunded to supplier and same have been booked as Testing Charges Refundable under the Head "Current Liability."

HMSCL received advance towards drugs and medical equipment's. HMSCL has kept this advance at Bank Account (including Auto Sweep A/c.) and earned interest on it. The said interest income is accounted on accrual basis. Interest earned has been share with Indenting/Government Departments on the basis of average closing balance of each indenting /Government Department.

The company does not carry on any activities of purchase and sales for its own.



H. Accounting for Fixed Assets

The Fixed assets are stated at their cost of acquisition less accumulated depreciation and impairment losses.

Cost of acquisition comprise all cost incurred to bring the assets to their location and working condition up to the date the assets are put to use.

The Depreciation has been provided at written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013, on addition of assets during the period has been provided on pro rata basis.

I. Employee Benefits:

In respect of staff on deputation employee from the Government of Haryana, their term and condition of services are governed by the Government's Rules and Regulation of their parent departments and respective cost has not been accounted for in the Financial Statement-Profit and Loss Account.

For the staff (Contractual & Daily Wages) actual payments has been recorded in the Financial Statements.

J. Accounting for Taxes on Income:

Income taxes are accounted for in accordance with Accounting Standard 22 "Accounting for Taxes on Income". A tax comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid/recovered from the revenue authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or a deferred tax liability. They are measured using the substantively enacted tax rates and tax laws.

K. Accounting For Advances Received For Drugs & Medical instruments

HMSCIL has received advance from Indenting Departments for procurement and distribution of medicines & Medical instruments. Actual advance received from indenting departments has been considered in books accounts. Advance account has been debited when actual payment had been made towards purchase of Drugs & Medical instruments; the accounts of advances were not debited on actual supply basis. Amount of advances unutilized has been separately disclosed in the Balance Sheet under head balance funds in current liabilities. Excess Payments to vendors on behalf on indenting department has been reflected as net of excess receipts of funds for better representation rather the reflecting same in assets side.



8.
75.

L. Earnings Per Share

The Corporation reports basic and diluted earnings per share (EPS) in accordance with the Accounting Standard 20 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

M. Contingent Liabilities

Contingent Liabilities as defined in Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to the accounts. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Provision is made if it is probable that an outflow of future economic benefits will be required to settle the obligation.

N. Cash flow Statement

The Corporation has prepared Cash Flow Statement as per "Indirect Method" as prescribed in Para 18(b) of Accounting Standard-3. The Cash Flow Statement has been prepared in accordance with the matter contained with Accounting Standard-3 "Cash Flow Statements"

O. Segment Reporting

HMSCL neither has any Business Segment nor it has any Geographical Segment as defined in Para 5.1 & 5.2 of Accounting Standard 17, hence it is not required to make any disclosure under AS-17.

P. Disclosure as required by AS-18 "Related Disclosures"

Remuneration to Managing Director:

Particulars	Amount as on 31.03.2020
Salary	-
Travelling Allowance/LTC	-
Medical Expenses and Others	-
Total	-

Board member of NHM and DGHS are part of Board of directors of HMSCL. Currently HMSCL is buying/procuring, storing, and distributing of drugs, medicine and surgical item etc on behalf of these indenting departments.



75

Q. Disclosure of Advance Received for Drugs & Medical Instruments

Particulars	Amount
Opening Balance	67,60,68,350
Advance Received during the year	2,40,09,10,340
Advance Utilized during the year	2,95,99,24,977
Interest Element	3,07,52,275
Fit Charge (4% on Purchase + GST)	12,36,67,392
Closing Balance of Advance	2,41,38,596

R. Previous year figures have been suitably regrouped wherever necessary to correspond to the current year's classification.

S. Figures have been rounded off to the nearest rupee.

T. Information regarding purchase, issue, stock and amount payable to suppliers.

Particulars	2018-19 (Amount in Crores)	2019-20 (Amount in Crores)
Opening stock	0.00	0.00
Goods Inward	149.56	262.01
Cost of Drugs and Medical Equipment Supplies during the year	149.56	262.01
Closing stock*	0.00	0.00
Amount due to suppliers**	52.01	97.02

Stock held in Warehouse of HMSCL on Behave of Indenting departments

Particulars	2018-19 (Amount in Crores)	2019-20 (Amount in Crores)
Opening Stock	64.14	16.42
Closing Stock	16.42	38.93

*Stock of Drugs and equipment's of value Rs. 38.93 Crores (per portal) under erection are lying in warehouses of HMSCL which is owned by indenting departments and to be lifted by them as and when required. Further this stock also includes part of stock transferred by National Health Mission (NHM), Haryana to HMSCL after incorporation. Financial effect of Stock transferred by NHM has not been recognized in books of HMSCL treating same a stock owned by respective Indenting department pending to be lifted for utilization.

U. Only actual receipts from indenting department against indents/orders for pharmacy & equipment's has been considered.



V. Comparatives:

Comparatives financial information (i.e. the amounts and other disclosures for the preceding year presented above), is included as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year have been regrouped / reclassified wherever necessary to correspond to figures of the current year.

As per our report for even date attached
For M/s Ashwani K Gupta & Associate
Chartered Accountants

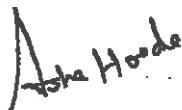
For Haryana Medical Services Corporation Limited




(Managing Director)
(DIN : 07973118)


(Director)
(DIN : 07889615)

Place : PANCHKULA
Date : 01/06/2022


(CS)


(CFO)


(GM)

Compiled as per books of account and information provided to us
For Gaurav Singla & Company
Chartered Accountants


CA Gaurav Singla
MLNo.528041

